

Russia seeks overhaul of diamond pact

By John Lloyd in Moscow

The leading official in Russia's diamond industry said that his country's present agreement with South Africa diamond group, De Beers, was "far from satisfactory" and would have to be radically changed.

But Mr Yevgeny Bychkov, chairman of the committee on precious metals and stones, emphasised that Russia wanted to work with De Beers, dispelling fears that the relationship between the group that controls more than 80 per cent of world rough (uncut) diamond sales and one of the largest producers was near to collapse.

Mr Bychkov wants the present agreement, which runs until the end of next year, to be substantially modified, and wants to sign an agreement after 1995 "on a completely new basis".

Earlier this month, De Beers seemed to believe that the relationship was in danger and that the prospect of excluding Russia from the monopoly because of allegedly unsanctioned sales of diamonds would have to be considered. Mr Bychkov also resolutely denied the estimations, tabled by De Beers in talks between the two sides this year, that "leakages" of diamonds from Russia outside of the agreement had totalled \$500m (£316.4m) this year. Mr Bychkov said that Russia had sold only \$120m worth of diamonds independently from De Beers - and that had been covered by agreements with the company.

"Everything else sold is just small change. We know who is dealing illegally in diamonds here and what they are selling is very little," he said.

While Mr Bychkov would give few details of the negotiations between the two partners, he indicated that he wanted Russia's quota within De Beers' Central Selling Organisation (CSO) to be raised from its present 26 per

cent of total CSO sales because of growing production in Russia. "We are producing more from Yakutia (the diamond producing region) than last year and next year we expect to produce more than this. So we want our quota to be raised," Mr Bychkov said. A rise in Russia's quota would mean a fall in that of the other member countries - which include South Africa, Botswana and Australia.

Another area of negotiation and dispute between the two sides concerns the joint ventures which Russia has formed with companies, especially from Belgium and Israel, to send diamonds abroad for polishing. De Beers considers that these consignments are exports - while Russia believes that, since the diamonds remain the property of Russia and are returned to it, they cannot be counted as exports.

The De Beers agreement allows Russia to sell freely only 5 per cent of the diamonds it produces, while the remainder goes to the CSO. Mr Bychkov said that "the present agreement must be improved, and a future agreement made mutually advantageous, which it is not at present".

Multi-speed EU rejected by Strasbourg

By David Gardner in Strasbourg

The European Parliament yesterday rejected by an overwhelming majority the prospect of a multi-speed Europe, but said at the same time that if recalcitrant member states like the UK continued to block further EU integration they should be bypassed.

In spite of the strong endorsement of a carefully drafted resolution, yesterday's debate highlighted the confusion and division inside the EU over the future shape and pace of integration.

Yesterday's resolution was backed by the two large Socialist and Christian Democrat blocs. It addressed the ideas mooted this month by Germany's governing Christian Democrats and the French government, about a "hard-core" of Germany, France and the Benelux countries moving faster towards economic, monetary and political integration, while their partners followed more slowly in their wake. MEPs from Italy, Spain, Greece and Portugal expressed their countries' fear of exclusion, but still, in the main, backed northern MEPs' denunciation of blocking tactics by countries such as the UK. The parliament said: "It would be inconceivable to exclude member states ready and able to pursue integration with 'equal rights and duties'."

But it warned that "if a small minority of member states attempted to block all progress" in 1996, "ways would have to be found of allowing member states which want to pursue their efforts to achieve European integration to still do so".

The Maastricht treaty review conference in 1996, which will decide on the extent to which the Union must tighten its links in order to bring in new east and central European states, will still see governments in the driving seat.

But the Strasbourg parliament, with new powers under Maastricht, won the right to take part in the 1996 review by threatening this spring to block the current enlargement process, designed to bring the Nordic countries and Austria

into the EU next year. The parliament is increasingly showing that it is willing to use its veto and vetting powers to make its views heard.

The resolution, alluding to recent British government comments about a multi-speed Union, also denounced the British and Danish opt-outs from the Maastricht treaty as the root of "dangerous speculation about an *à la carte* Europe", in which member states can dissociate themselves from policies they dislike. All but two of the 18 UK

'After Maastricht there is already a two-speed Europe, but the mistake is to think this is permanent'

Conservative MEPs remaining in Strasbourg abstained, regarding the debate as "premature", as Tory Euro-MP Brendan Donnelly put it.

But amid the welter of multi-lingual mixed metaphors about ships and convoys, hares and tortoises, concentric circles, menus and "variable geometry", disgust at the ability of one state to use a veto to delay decisions outweighed distaste at an elitist "hard-core".

The former Belgian minister and liberal MEP, Mr Willy de Clercq, said that "if one speed means standing still that cannot be". Former French Socialist prime minister Michel Rocard dismissed much of the debate as hypocrisy, pointing out that after Maastricht there is already a two-speed Europe, but "the mistake is to think this is permanent".

Ms Elisabeth Guigou, the former French Socialist minister for Europe, said an *à la carte* solution would be divisive. "but we cannot allow one country or group of countries to block progress," Mr Günter Rinsche, a German Christian Democrat leader, defending his party's floating of a "hard-core" built round the Franco-German axis, argued that the Union should use flexible formulas as the cement constructing integration.

Rouble fall threatens to undo everything

By John Lloyd and John Thornhill in Moscow

Russian and foreign experts agree that if what is driving the fall of the rouble - which dropped a further 6 per cent yesterday - is not corrected, the government's economic achievements over the first eight months of this year will be set at naught. In danger, now, is the future of its economic strategy, of further assistance from the international financial institutions, and even of the government, they say.

However, some dealers and bankers view it differently. One said the rouble's fall - by more than 16 per cent this month alone - was merely the Central Bank of Russia's way of driving down the rate in order that it can sell hard currency to help pay the government's debts, especially delayed wage bills.

Another said the central bank periodically adjusted its rate by intervening or (as now) refusing to intervene until a rate which suits it is reached - "and then the rouble becomes relatively stable there".

A third, more worriedly, said: "It should not get much worse. But if it does then the situation may run out of control very quickly."

The less sanguine analysis is that it will get out of control



A street currency dealer checking a Ruble note as he sells dollars in Moscow yesterday

quickly. Mr Yegor Gaidar, former prime minister, leader of the main liberal party Russia's Choice and head of the Institute for the Study of Problems of the Transitional Period, said yesterday that the rouble's fall reflected the rise in money supply which had been going on since April and was only now working its way through in higher inflation because of the long time lag between credit expansion and

inflation. The period in the summer when people had found it more profitable to keep their money in rubles had ended, he said, and there was now a flight to the dollar driven by fears of rising inflation. "This is dangerous ... because it carries the risk of long term stagnation which would not be ended by the time of the (parliamentary) elections at the end of 1995."

"The trouble is that everyone tends to move one way in Russia," said a western finance official, "and this increases the speed of a collapse. And if you get the rouble falling rapidly, few governments can sit back and watch it without attempting to clamp controls, like suspending trading."

The immediate effect of the drop will be a feed-through to higher prices for imported

goods, and an upward twist to inflation already said to be rising this month from last month's low of 4 per cent to a level estimated by the government at 7 to 8 per cent and by others to be up to 10 per cent.

Mr Gaidar said that a rise this month and the next two is "inevitable" even if the government immediately tightened its monetary policy.

The finance ministry, supported by the prime minister, has tried hard to screw down on spending - though extra credits were issued over the summer totalling Rb57,000bn and Mr Gaidar said that monetary growth doubled in the second quarter of the year compared with the first.

Already, the energy and military lobbies have opened the first rounds of the fight for more credits and the government's hopes of getting the 1995 budget through the parliament with the same ease as it did the 1994 budget earlier this year seem certain to be dashed.

The danger signals come just as the International Monetary Fund is staging its annual meeting in Madrid, where it will entertain Russian demands for a standby credit and other support.

Mr Lloyd Bentsen, the US treasury secretary, said in Washington on Monday that \$8m-\$10m could be available from the international finan-

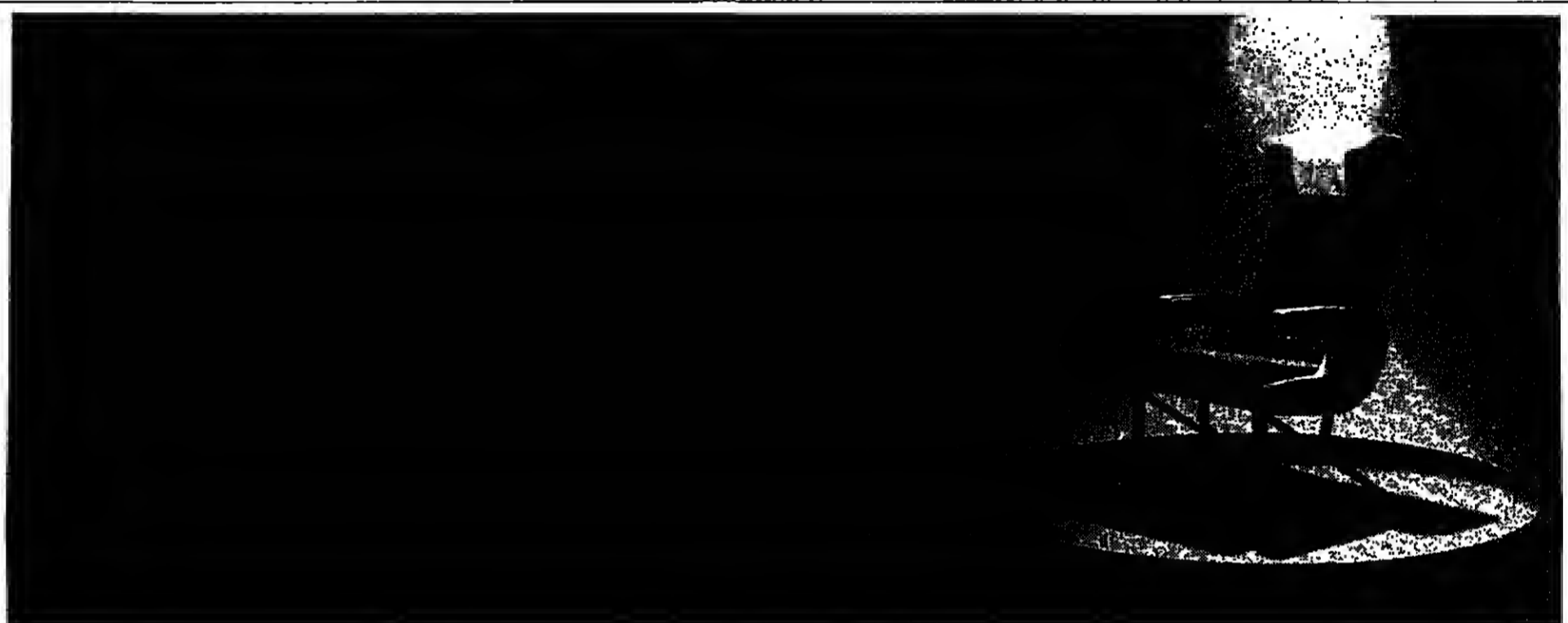
cial institutions plus a further \$6bn later to stabilise the currency - if the Russian government managed to adopt and stick to a reform programme more rigorous than their present one.

"The IMF should go to Russia and see what the situation is, see if there is something to support. Clearly it can't support any old programme," said one US official yesterday.

However, the difficulty for the IMF, as for the Group of Seven, advanced industrial nations, is to risk losing the present government if it is not supported with more aid - or to lose the aid if it is applied to a defective programme.

Mr Gaidar, in comments yesterday, appeared to believe the Fund should be cautious. Asked what he would advise the IMF to do, he said: "I would look very carefully at the credit expansion in Russia in the past three to four months. I would look at the planned expenditure of the budget and the real possibilities of financing that expenditure - that's the fundamental problem and if it's not solved then support could be ineffective."

As Mr Yevgeny Yasin, an economic adviser to President Boris Yeltsin, warned last week, "the government is standing on a very narrow strip of ground and can easily be pushed off it".



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Recession is dead and world output is set to expand

By Peter Norman, Economics Editor, in Madrid

The International Monetary Fund has at last dared to call an end to the recession. Its latest World Economic Outlook says the broadening and strengthening of recovery in the industrialised countries marks the end of the "long and unusually severe downturn" in recent years. It expects world output to expand 3.1 per cent this year and 3.6 per cent in 1995, or at twice the rate for 1990 to 1993.

The industrialised countries are forecast to grow by an average 2.7 per cent this year and next, reflecting an increase of 0.4 percentage points in forecast growth for 1994, against the IMF's last forecast in May and a slight upwards revision of 0.1 points for 1995. The developing countries should grow at more than twice this rate: by a forecast 5.6 per cent this year and next.

The IMF draws comfort from stronger signs of a turnaround in continental Europe and more tentative signs of recovery in Japan. It has raised its forecasts for German growth to 2.3 per cent this year and 2.8 per cent in 1995, up 1.4 and 0.6 points respectively from the forecasts published five months ago.

It expects France to grow 1.9 per cent this year and 3 per cent next. Its projections of 3.3 per cent and 3 per cent growth for the UK in 1994 and 1995 respectively are more bul-

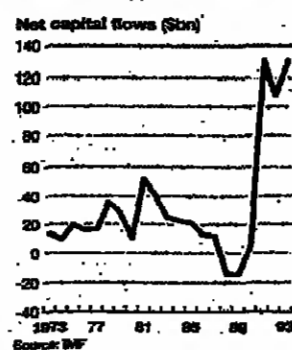
ish than the British government's. Canada and the US are seen as the fastest growing of the Group of Seven industrial countries this year, with forecast growth of 4.1 per cent and 3.7 per cent respectively. While Canada's growth is expected to slow to 3.8 per cent in 1995, the US's will decelerate to 2.5 per cent next year. This deceleration, which the IMF expects because of monetary tightening, would push US growth below the 2.7 per cent average projected for G7 nations and the industrial world as a whole.

The IMF's growth forecasts for Japan have been raised 0.2 percentage points for this year and next to 0.9 per cent and 2.5 per cent respectively. A "particularly positive" aspect of world economic developments remains the rapid expansion of many Asian and some Latin American developing nations, such as Argentina, Chile and Peru.

The IMF draws comfort from large margins of slack between actual and potential output in many countries. Apart from the US, where little or no slack is left in output and labour markets, "output gaps" ranging from an estimated 1.7 per cent in Germany to 5.6 per cent in Japan reduce inflation dangers.

The report states all this gives no grounds for complacency. Areas exist where output continues to fall, as in the former communist states of Russia, Ukraine and Belarus. Despite signs of improvement, economic conditions remain difficult in much of Africa. In the industrial countries, policy makers are faced

Developing countries



with difficult tasks if they are to secure a strong, long-running expansion with low inflation and high investment that can help cut unemployment.

They must avoid the policy failures of the 1980s and safeguard a high degree of price stability. That means acting promptly to raise interest rates in anticipation of inflationary pressures as recovery takes hold, and strengthening efforts to cut fiscal deficits.

"A critical policy requirement is the need to deal with the large fiscal imbalances that have lifted gross debt in the industrial countries as a group to nearly 70 per cent of gross domestic product from 40 per cent in 1978."

Fiscal imbalances have contributed to high real interest rates and weak private investment over the past decade. Governments recognise

the problem and are acting, but consolidation plans "in most cases... appear to be too modest".

The IMF draws a moral from the recent rise in worldwide bond yields, which hit countries with large fiscal imbalances such as Italy, Sweden and Finland hardest. Here, an urgent need exists to strengthen the fiscal outlook, to establish greater credibility.

But macroeconomic measures alone will not solve the world's economic problems. Reducing structural unemployment, which is Europe's big problem, will need fundamental labour market reforms, "including lowering and restructuring unemployment benefits and related programmes, lowering minimum wages in some countries, reducing non-wage labour costs, liberalising employment and wage-setting practices, and strengthening training programmes".

The Uruguay Round needs to be implemented. More liberalisation of markets is needed in many industrial countries. All countries must introduce reforms to curb rising budgetary costs of health care and pensions. The IMF predicts strong overall growth in the developing countries, but notes conditions vary. The most successful have created a stable macroeconomic environment, encouraged domestic savings and implemented structural reforms that increase efficiency.

The Fund worries that the rise in private capital flows to developing nations over the past five years could in some cases backfire. In

1989, net outflow from developing countries totalled \$14bn; last year it exceeded \$130bn.

Not all countries benefiting from capital inflows have done so because of investment opportunities or strong fundamentals. Some may have been beneficiaries of a "general enthusiasm for emerging financial markets". For them, "the risk of sudden changes in market sentiment is particularly serious".

Those former communist countries such as the Baltic states, the Czech Republic, Hungary, Poland, the Slovak Republic, Slovenia, Albania and Mongolia which implemented market reforms, "are now growing, or appear to be on the threshold of recovery, and prospects for continued growth are good".

In others, including Russia and the Ukraine, output continues to contract and more must be done to control inflation. Enormous difficulties must still be faced over structural reform in Russia and some other "transition" countries.

Many banks and companies are insolvent. Large payments arrears have built up. Progress on land reform and farm privatisation has been limited. Subsidies and cheap credits distort market signals. The framework for a market economy, including business laws, accounting standards, and a modern banking system, is only gradually being put in place. "Widespread corruption and crime threaten to undermine support for market reforms."

The World Economic Outlook: to be published next month.

Projections overview (annual % change)

	Current Projections			Differences from May 1994 Projections	
	1993	1994	1995	1994	1995
World output	2.3	3.1	3.6	0.1	-0.2
Industrial countries	1.3	2.7	2.7	0.4	0.1
US	3.1	3.7	2.5	-0.1	-0.1
Japan	0.1	0.8	2.5	0.2	0.2
Germany	-1.1	2.3	2.8	1.4	0.6
France	-1.0	1.9	3.0	0.7	0.5
Italy	-0.7	1.5	2.8	0.4	0.3
UK	2.0	3.3	3.0	0.8	0.2
Canada	2.2	4.1	3.8	0.7	-0.3
Seven countries above	1.4	2.8	2.7	0.3	0.1
Other industrial countries	0.3	2.4	3.1	0.8	0.3
EU	-0.3	2.1	2.9	0.8	0.3
Developing countries	6.1	6.6	5.6	0.1	-0.2
Africa	1.0	3.3	4.5	-0.1	-
Asia	6.5	8.0	7.3	0.5	-0.1
Middle East and Europe	4.8	1.4	2.5	-1.6	-1.3
Western Hemisphere	3.4	2.6	3.3	-	-0.1
Countries in transition	-9.0	-8.3	-1.0	-2.2	-2.4
Central and eastern Europe	-5.7	-5.4	1.4	-2.3	-1.0
Excluding Belarus and Ukraine	-2.3	1.4	3.1	-0.5	-0.5
Russia	-10.0	-12.0	-3.9	-2.1	-3.9
Transcaucasus and central Asia	-10.7	-6.8	0.1	-1.8	-2.4
World trade volume	4.0	7.2	5.9	1.4	-0.4
Industrial country import volume	1.8	7.2	4.8	1.8	-0.4
Developing country import volume	9.3	7.2	7.9	-0.1	-1.3
Commodity prices	-11.5	-6.0	-	8.7	-5.9
Oil	16.13	15.16	15.15	1.40	0.58
Nonfuel	-3.8	13.18	6.5	7.6	4.4
Consumer prices	2.9	2.4	2.6	-0.1	-
Industrial countries	45.2	47.5	32.2	8.6	1.2
Developing countries	687.9	330.8	89.4	40.7	15.1
Countries in transition					

Source: IMF

Experts give some unusually outspoken advice

By Peter Norman

It is unclear whether it is the effect of global economic recovery or the heady sensation of celebrating its 50th birthday, but the latest World Economic Outlook from the IMF is more straightforward in the policy advice it gives its members than previous issues.

It is particularly outspoken about the need for the US to raise interest rates further.

Early in its report, it declares that "further increases in policy-related (US) interest rates are needed... if overheating and a rise in inflation expectations are to be avoided".

The Fund later declares that "virtually all indicators now suggest that little or no slack is left in output and labour markets" in the US. It writes: "Given the current cyclical position, there is an increasing need to move US monetary policy to a neutral position consistent with potential growth of about 2.5 per cent a year by raising rates further."

Explaining this advice, Mr Michael Mussa, director of the IMF's research department, said yesterday the Fund was not advocating a sharp rise in US rates. But it thought more tightening would be needed over the next six, nine or 12 months. Central banks, such as the US Federal Reserve, needed to be leaders, not followers, in financial markets.

The Outlook points out that, in spite of recent increases, both short- and long-term US interest rates remain low compared with the 1980s as a whole, and even with the mid-1980s. The Fund maintains that, in real terms, US short rates averaged 4.5 per cent and long rates 6 per cent in 1986-90, against 1.5 per cent and 4.25 per cent in mid-1994.

The IMF also urges the US to take further steps to reduce its budget deficit to put its debt-to-GDP ratio on a downward trend.

The Fund appears more satisfied with Japanese and German monetary policies. Although Mr Mussa said a small further drop in German rates was possible if the recovery slackened or inflation fell, the bottom for this business cycle had nearly been reached.

The IMF warns Japan it will have to resume fiscal consolidation over the medium term, "including a comprehensive social security and tax reform to forestall an unsustainable increase in public debt as the population ages".

Some of its toughest words are reserved for Italy, which yesterday put forward new budget plans. "Credible efforts to put the unsustainably high debt ratio on a declining trend during the balance of the decade are essential for Italy's longer-term financial stability and growth prospects," it says.

The IMF envisages a jump to 5.5 per cent in three-months' US interest rates next year from 4.4 per cent this year, against a rise to 2.7 per cent from 1.9 per cent for yen rates. It expects the three months' D-Mark rate to slip slightly to 4.8 per cent from 5.2 per cent.

UK told to cut public spending targets

By Peter Norman

The IMF last night told Mr Kenneth Clarke, the UK chancellor, that he should cut public spending targets in his November budget to increase the credibility of Britain's economic policy.

Mr Michael Mussa, director of the IMF's Research Department, also warned that further UK interest rate increases would be needed at some point following this month's half percentage point increase in bank base rates.

In its latest World Economic Outlook, the Fund said expenditure restraint was critical to the government's objective of eliminating public borrowing by the end of this decade.

It said that the decisions taken in last year's two budgets to consolidate the UK's fiscal deficit had already brought a sizeable reduction in both actual and structural deficits this year. "Reducing nominal spending ceilings in the upcoming budget to reflect lower-than-expected inflation will be important to enhance policy credibility," it added.

The IMF's comments suggest that the government's control totals in 1995/96 and 1996/97 should be cut from the £263bn and £272.3bn agreed last November. The remarks could prove helpful to Mr Jonathan Aitken, the chief secretary, who is currently negotiating with spending departments to keep public spending for 1995/96 and subsequent years inside the government's limits.

It is unclear how far the chancellor will be inclined to follow the IMF's advice. So far he has maintained that hitting the spending targets in this year's public expenditure round would be tough.

According to IMF estimates, the government's consolidation plans should stabilise the UK's ratio of net debt to gross domestic product at about 40 per cent by 1997.

The IMF painted a generally upbeat picture of the UK economy. It forecast it would grow by a real 3.3 per cent this year and 3 per cent in 1995 - well above the government's forecast of 2.75 per cent growth for each year.

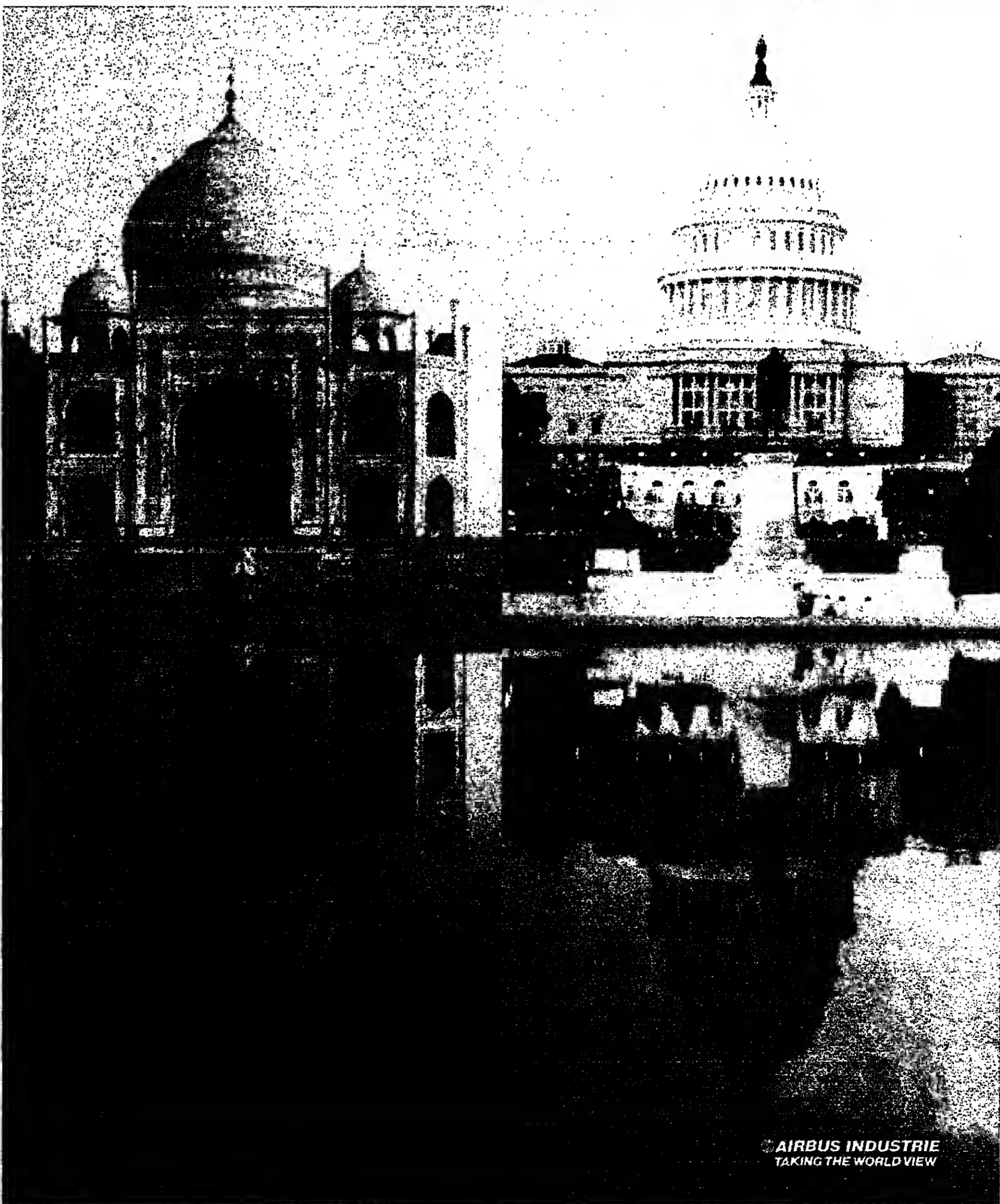
It said that output growth in Britain began recently to outpace potential. It estimated the output gap - a measure of spare capacity expressed as a percentage of GDP - at a relatively high 4 per cent, adding that it would be eliminated only in the medium term.

However, it also predicted that inflation, measured by the government's "underlying" measure of retail price inflation excluding mortgage interest payments, would average 3.1 per cent next year. That would be higher than the 2.5 per cent anticipated by the IMF for this year, and in the top half of the government's 1-4 per cent target range.

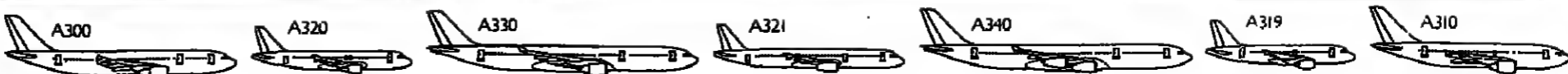
In predicting a future interest rate rise, Mr Mussa told a news conference he was not talking in terms of weeks or months. However, some form of tightening of monetary conditions would be needed in the course of the expansion.

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NEWS: THE AMERICAS

US durable goods orders rise sharply

By George Graham
in Washington

US durable goods orders rose sharply in August, the Commerce Department reported yesterday, signalling that the US economy is continuing to expand steadily.

The Commerce Department announced that new orders for manufactured durable goods rose by 6 per cent last month to \$15.4bn, a slightly steeper increase than had generally been expected.

The increase provoked short-lived fears in the financial markets that the Federal Reserve would need to raise interest rates further to bring the pace of economic growth back to a steadier and less inflation-prone level.

But the jump was not much larger than had been anticipated and was set against a 4 per cent decline in July. After an initial flurry markets settled back to watch other indicators.

The Federal Open Markets Committee, which sets the Fed's interest rate policy, made no announcement of any change in interest rates after its meeting on Tuesday. Financial markets have interpreted this absence of any clear signal

as meaning that the FOMC gave Mr Alan Greenspan, the Fed chairman, considerable leeway to raise interest rates if economic data before its next meeting in November show the economy still growing faster than can be sustained without an upsurge in inflation.

But the Fed chairman was not expected to respond so soon after the FOMC meeting to one apparently strong economic statistic, particularly one as volatile as durable goods orders, which can bounce wildly because of a handful of new aircraft orders.

Mr Ron Brown, commerce secretary, said the durable goods data indicated investment was still an important factor behind economic expansion. He called this "a positive sign for productivity growth prospects and for sustained moderation in inflation".

The commerce department said motor vehicles and parts contributed to over half both of the rise in orders in August and of the fall in July because some car makers had retooled for the new model year a month earlier than usual.

Transportation equipment, including aircraft, rose 19.1 per cent in August after dropping 14.8 per cent in July.

Strike hits GM plants

By Richard Waters
in New York

Production in three of General Motors' North American plants stopped yesterday as a parts shortage began to be felt following a walk-out on Tuesday by 11,500 workers at a parts plant in Flint, Michigan.

The dispute threatens to stall most of GM's North American plants. It has focused attention on the company's hiring practices in the wake of soaring production volumes this year. The United Auto Workers

union says the company is forcing its members to work increasing overtime to raise production, rather than hiring new workers.

As part of its effort to plug growing labour shortages in some plants, GM has also offered incentives to encourage workers to move to plants which are understaffed.

The company has cut its hourly workforce in North America by around 50,000, to 250,000, in the past three years in an effort to bring these operations back into profit.

Summit fails to resolve rift on Bosnia

Yeltsin pledges 'lasting peace'

By George Graham

President Boris Yeltsin of Russia yesterday promised a lasting peace between his country and the US as he approached the end of his two-day summit with US President Bill Clinton.

"There are people in my country, though few, who say that our relationship with the US is transient and that an era of confrontation will return. But I would like to tell you that we have never fought the US and I believe, and I can say as president of Russia, that we will never fight the US," he said.

At the Library of Congress, where the two presidents opened an exhibition on the Russian Orthodox Church and the indigenous peoples of Alaska, Mr Yeltsin continued the bonhomie and back-slapping that has marked this summit.

"There are some extremist radicals from my country - people of poor education, I think, and of very low origins - who demand Alaska back for Russia. But I don't think this is serious stuff," Mr Yeltsin said, referring to the call sometimes made by Mr Vladimir Zhirinovskiy, the Russian nationalist leader, for the



Good-humoured summit: Yeltsin at a White House dinner

return of Alaska, which the US bought from Russia in 1867 for \$7.2m.

Some differences between the two countries remain unresolved, although one of the sharpest disagreements, over whether to lift the embargo on arms deliveries to Bosnia, has at least been put on ice by the Bosnian government's request for a delay.

Mr Yeltsin yesterday repeated his opposition to lift-

ing the embargo. "Now the Bosnian Muslims think they have to wait six months and then perhaps we can decide once and for all that this should not be done."

US officials said some agreement was expected on another issue that has caused friction between the two countries: Russian sales of military equipment, especially submarines, to Iran.

Haitian MPs fly back to draft amnesty law

By James Harding
in Port-au-Prince

US efforts to achieve the first quorum of the Haitian legislature in more than a year looked set to be rewarded as a dozen exiled parliamentarians were flown in for the ceremonial opening of parliament yesterday afternoon.

The special session was convened by elected President Jean-Bertrand Aristide primarily to pass a law granting amnesty to General Raoul Cédras and the army generals who seized power in a coup three years ago. The military leadership is expected to step down once the law is passed. The meeting yesterday was ceremonial and the business of drafting an amnesty law is due to get under way today.

The deployment of US troops around the parliament buildings is a further illustration of the significance the Clinton administration is placing on the amnesty law, which would not only mark the end of military rule but could pave the way for the reconciliation of Aristide supporters and Cédras loyalists.

The conspicuous US presence has led to criticism in the Haitian press that the nation's democratic institutions are being violated. As a result, there will be no US army presence inside the chamber.

The delicacy of respecting Haitian sovereignty while sending in servicemen to secure its legislature even tripped up the left Mr Stanley

Schrager, US embassy spokesman, who said: "We need a quorum, no, they need a quorum." He added: "It [the parliament] is a Haitian institution. It's a convocation of the very important Haitian parliament." As well as the deputies and senators returning from the US and Canada yesterday morning, US officials were hoping that some of the 13 parliamentarians in hiding in Haiti would also attend. The 82-person Chamber of Deputies has not mustered the necessary 42

'US military will not stand idly by while this looting goes on'

members to achieve a quorum in 18 months.

US servicemen working side-by-side with Haitian police officers guarding the legislature were expected to bar the 11 senators elected in January 1993 in a poll which the US, among others, believes to have been stage-managed by the Cédras regime.

There was considerable interest outside the parliament buildings yesterday as to whether Gen Cédras, who as Haiti's commander-in-chief has the constitutional right to attend the opening of parlia-

ment, would come to the session.

Mr Bernard Sanzarico, president of the Senate, was understood to be preparing a draft of the amnesty law, although another draft that was due to be debated last year before its author, the then Justice Minister Guy Mallory, was assassinated, has found favour with a number of deputies and, unofficially, with US embassy officials.

President Aristide, in convening parliament, has called on the assembly to debate not only the amnesty but also six other pieces of legislation, including the separation of police and army powers.

Continued looting of humanitarian foodstores elsewhere in Port-au-Prince was a further cause of concern to US officials yesterday. The embassy announced that the transport of USAID food had been temporarily stopped, but did not give a date when the lines would be reopened.

US army officials would not promise non-governmental organisations army protection, but pledged that the "US military will not stand idly by while this looting goes on".

Mr Schrager confirmed that the surge in pillaging was a reflection of the breakdown of domestic policing. "Clearly we are seeing some police stepping back and letting the law and order situation evaporate," he said, "but I can't tell whether it's by design or happenstance".

Labour dispute may put hockey season on ice

Owners threaten to lock out players if new deal is not hammered out

Already deprived of the most exciting part of the baseball season, North American sports fans now face the prospect of no ice hockey as a result of another labour dispute between owners and players, writes Bernard Simon in Toronto.

Owners of the 26 US and Canadian teams which make up the National Hockey League (NHL) have threatened to lock out the players if a new collective agreement is not

hammered out in time for the scheduled opening of the season on Saturday. Hopes were slim yesterday that the protracted and increasingly hostile negotiations would be concluded before the deadline.

As in the six-week-old baseball strike, the public is venting its anger on both sides, especially in Canada, where hockey is the national sport

and Hockey Night is the longest-running programme on television. One Toronto newspaper columnist yesterday pinned the blame for the impasse on the "cowboy mentality" of the two American lawyers who represent the owners and the players' union.

The issues in the hockey dispute are similar to those which brought the baseball season to

a premature end. In both cases they reflect the degree to which the entertainment element of sport has been overshadowed by business.

The NHL posted revenues of about \$700m (US\$522.3m) in 1993, and expects a substantial increase in coming years thanks partly to a \$155m five-year contract signed recently with Mr Rupert Murdoch's Fox

television network. But the owners are demanding various concessions from the players to hold down spiralling salary bills, and to secure the future of financially strapped teams in relatively small markets such as the Canadian prairie city of Winnipeg and Hartford, Connecticut.

The players are concerned however, that the owners are

moving towards a cap on salaries. The owners have already proposed a limit on first-year players' pay of about \$275,000 a year.

With the exception of a few superstars, notably Wayne Gretzky of the Los Angeles Kings, hockey salaries are generally well below those in baseball. But 76 players now earn more than \$3m a year - led by Mr Gretzky's \$3.4m - compared with just three players five years ago.

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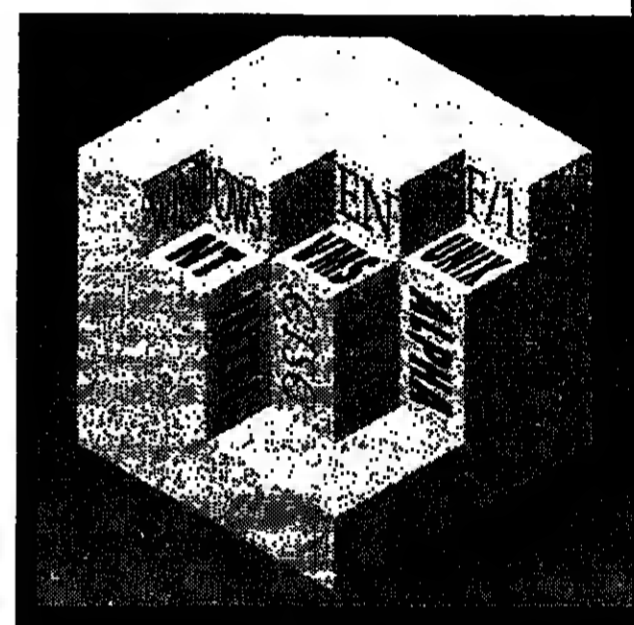
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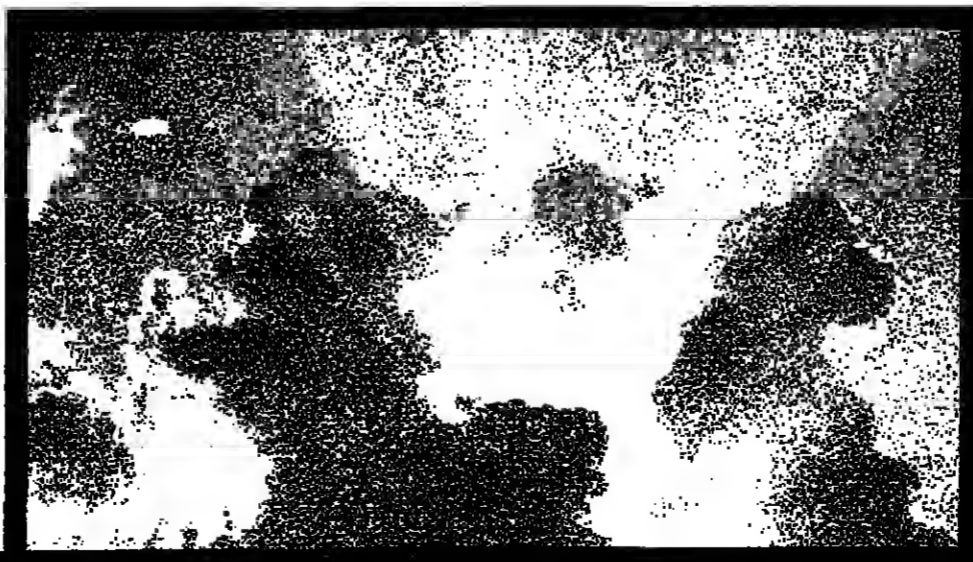
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NEWS: WORLD TRADE

Negotiators want agreement with Brussels revised upwards to reflect market changes

Japan to press EU over vehicle imports

By Michio Nakamoto in Tokyo

Japan will press for an increase in vehicle exports to the European Union this year due to stronger than expected growth in demand. The request will be made when trade negotiators meet for consultations in Brussels today.

During the two-day talks, Japanese trade negotiators are expected to request that an agreement to maintain exports of Japanese vehicles to the EU at 984,000 units be revised upwards to reflect market changes.

"The market is expected to grow more than we anticipated in March. The basic policy is to increase exports if the market

grows," an official at the Ministry of Trade and Industry said. Under an agreement reached in 1991, Japan is committed to keeping its vehicle exports to the EU within an agreed level each year until the end of 1999, when the EU automobile market is to be fully liberalised.

The level of Japanese vehicle exports to the EU is determined through consultation and depends on an agreed forecast for regional demand. The two sides have also agreed that if demand varies significantly from initial forecasts, the agreed level of exports could be revised.

The Japanese authorities agreed in March to keep Japanese exports to the EU this year at 984,000 units on the basis of a forecast for overall market growth of 2 per cent. That would have represented nearly 18 per cent decline from the level of Japanese vehicle exports to the EU in 1993.

However, MITI now expects the EU vehicle market to grow 5-6 per cent this year and wants the level of Japanese exports increased accordingly. Vehicle registrations in the EU between January and July have already risen 5.8 per cent to 7.5m units.

Increasing the level of Japanese vehicle exports to the EU is likely to unsettle European vehicle producers. The Japanese share of the European market is expected to top 15 per cent by 1998 from nearly 12 per cent in 1993, according to DRI, the US-based analyst.

But it is unlikely that Japanese vehicle exports to the EU will actually increase significantly even if the quota is raised, as the strength of the yen has eroded the price advantage of Japanese cars exported to the EU.

Japanese manufacturers have boosted manufacturing capacity in Europe in recent years, with Japanese plants already accounting for more than a fifth of British car production. The overall result has been that in the first eight months of this year, Japanese vehicle exports to the EU fell nearly 30 per cent to 581,156 units.

vehicles, the first year-on-year gain in 15 months. Last month's decline was partly due to higher exports of new Honda Accord to the US in August 1993, Jama said.

"August posted a short-lived decline. Exports in and after September are likely to mark a year-on-year increase again," said Mr Hiroshi Suenaga, a senior analyst at Kanikaku Research Institute.

However, Nissan reported that August exports marked the first year-on-year decline in three months, due to poor demand in Europe where domestic carmakers boosted their sales by providing incentives. Nissan's vehicle exports fell 11.7 per cent from a year earlier to 45,364 units.

Callback services help reverse Asia charges

Victor Mallet on phone services that undercut monopolies

Only the most profligate managers could fail to be tempted: businesses in thrall to national telecommunications monopolies in Asia are being offered savings of up to 50 per cent on international telephone calls by US "callback" companies.

Such companies have already made an impact in Latin America and Europe. In south-east Asia, the growing popularity of money-saving callback services has been highlighted in recent weeks by protests from the state-controlled monopolies in Singapore and Thailand.

Aimed at first at US expatriates and travellers seeking to avoid exorbitant international telephone rates and hotel surcharges outside the US, the callback services are finding new customers in stockbroking firms and other businesses with high volumes of international voice and data calls.

Customers typically save money by dialling a designated number in the US and hanging up after one ring. A computer from the callback company immediately rings back - a call from the US to Thailand is much cheaper than from Thailand to the US - and allows the customer to dial on anywhere in the US or abroad.

Seattle-based Kallback, one

of the leading US "re-origination" services, says that a call from Thailand dialling the UK via Kallback in the US would make savings of 35 per cent over the rate charged by the Communications Authority of Thailand (CAT) on an average call; a call to Australia from Thailand using Kallback would be 23 per cent cheaper than a conventional call by direct dialling.

"It's an arbitrage situation between countries," said Mr Joel Eisenberg, Kallback's chief executive. "We have found a new market developing among businesses in countries that have very high rates like Thailand."

Most of Kallback's customers worldwide are individuals, but companies account for more than half its call volume. In Thailand, where traffic congestion in Bangkok keeps business executives in their cars for hours at a time, half Kallback's accounts are for mobile telephones.

The state-owned CAT shares revenue with foreign telecommunications networks on calls both out of and into Thailand, but on outgoing calls it uses its monopoly control of all international

US telephone company Telegroup has launched a toll-free callback service for European subscribers which it says will more than halve weekday phone calls inside Europe. Reuter reports from Brussels. The service, called Global Access, allows subscribers in Europe to route calls through telephone switches in the US and Europe to take advantage of lower prices.

Telegroup says it has 30,000 subscribers worldwide, of which half are in Europe. To make a call the subscriber dials the Global Access network in New York, using a touchtone phone, enters a code corresponding to his telephone number, and then hangs up. The subscriber is called back in a few seconds, receives a dial tone and then makes the call.

traffic to add hefty premiums. Officials from the CAT, an organisation with close links to the Thai air force, recently denounced callback services and said they undermined Thailand's national interest.

Similar protests were made in Singapore; international charges there are more moderate than Thailand's, but the partly privatised Singapore Telecom (ST) has a monopoly until the year 2007. "It became a major issue," said Mr Eisenberg. "They said it [callback service] was illegal. Now Singapore Telecom has backed down."

companies, which already have about 40,000 users on the island, are not allowed to advertise in the Singapore media because they are not licensed to operate there.

In Thailand the CAT has accused the callback companies of breaking the law, but no-one can find any law they are violating and the companies have been advertising their services in the press.

"Thailand will probably have to do something similar to Singapore," said a Bangkok stockbroker whose company recently subscribed to Kallback, "which is to admit that it's part of the service. The CAT are more concerned about their bonuses at the year-end rather than the consumer."

There have been some cases

Callback savings*	Through domestic exchange	From totals
Argentina	28%	73%
Australia	23%	72%
Belgium	28%	72%
France	28%	73%
Germany	28%	73%
Italy	28%	72%
South Africa	28%	73%
Switzerland	28%	73%
UK	38%	77%
US	38%	77%

*Kallback-supplied percentages based on a "typical" call with rates effective in March 1994

around the world of national telecommunications monopolies harassing callback companies by dialling their numbers repeatedly and jamming their systems, but Mr Eisenberg said this had not happened to Kallback.

He added that it was probably not worthwhile for monopolies to alienate telephone users by attacking callback

companies, given that the callback services still account for less than one per cent of the total international market.

That monopolies do not give up easily, however. The telephone organisation of Thailand (TOT) - another body influenced by the armed forces which has the monopoly of all domestic fixed-line traffic in Thailand - is attempting to enforce a concession agreement giving a company called Lines Technology the exclusive right to provide domestic on-line data services.

Critics of the TOT have ridiculed the deal, pointing out that several companies, including banks and business information companies, are already providing data services to their customers via TOT lines and are unlikely to stop.

The CAT, as it tries to stifle competitors in its international field, has vowed to use unspecified "protection techniques" against the callback providers, although it has yet to act.

"Thailand has still maintained the CAT monopoly and the CAT is fighting tooth and nail to hold that," said Mr Daniel Fineman, a senior stock analyst at stockbrokers Jardine Fleming Thaparak. "I see no sign that they are willing to give it up any time soon."

WORLD TRADE NEWS DIGEST

US audio-visual industry seeks to woo Europe

Mr Jack Valenti, chairman of the US Motion Picture Association, yesterday called on the European film industry to co-operate with its US counterpart and to let viewers "make their own decisions about what they want to see".

In a speech to be delivered at the American Chamber of Commerce in Paris, Mr Valenti said the US wants to see "a dynamically successful French audio-visual industry". The stronger the French industry became, the larger the French audience would be, he said. The US would get a share of the larger audiences. Co-operative efforts between European producers and the US film industry were already under way, he said. Referring to French efforts to limit US television programming in the EU, he said that new technologies "will defy restrictive regulation." "Barriers, protectionism, hedge rows are out of place in a world of creative competition and expanding visual choice. He who builds walls to keep others from coming in soon discovers that he has difficulty getting out," he added.

Nancy Dunne, Washington

Caribbean in EU mission

Four Caribbean prime ministers today embark on a mission to Europe to seek clarification on trade relations between the European Union and members of the African, Caribbean and Pacific (ACP) group. The mission will meet representatives of the French, German, Greek and British governments and will express concern about the future of its European banana market. It will also press the case of Caribbean rum producers who have been arguing for an increase in their EU rum quota.

Carrie James, Kingston

Bouygues wins Nigeria deal

Shell Nigeria has awarded a \$158m turnkey contract to Bouygues Offshore as part of a project to rebuild its Forcados oil terminal near Warri. Forcados was built nearly 25 years ago and the terminal and surrounding infrastructure is due to be modernised at an estimated cost of \$400m. The work will be carried out in phases to minimise disruption to production and export at the terminal, which handles just under half of Shell Nigeria's oil output.

Shell is the operator and 30 per cent equity partner in a joint venture in which the Nigerian National Petroleum Corporation (NNPC) holds 55 per cent, Elf Aquitaine 10 per cent and Agip 5 per cent. Paul Adams, Lagos

■ Ikarus, the state-owned Hungarian bus manufacturer, has signed a contract to supply 400 buses to Indonesia, its biggest order from the country so far. The buses, to be used for city bus services, are due to be delivered by August of next year. The deal has been under discussion for two years. Ikarus, one of Hungary's largest companies, was badly hit by the collapse of Comecon, the former East bloc trading organisation, but in the past four years has successfully penetrated new markets in the Far East and western Europe. Virginia Marsh, Budapest

■ Malaysia's Golden Hope Plantations is negotiating to set up its second palm oil refinery in China. Golden Hope's first refinery in Jiangyin City will be operating by August 1995. Reuter, Kuala Lumpur

■ Glaxo, Europe's biggest drug company, has opened an office in Rangoon to help Burmese hospitals conduct research projects. Glaxo has branches in 70 countries and is marketing its products in 150 countries with total sales amounting to \$5.6bn in 1993-94. Chit Tun, Rangoon

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New Range Rover aims for luxury

By Kevin Done

Land Rover, the leading European maker of four-wheel drive sports/utility vehicles, is moving into new territory with the launch today of a new generation Range Rover.

Developed in a four-year, \$300m investment programme as a luxury flagship for the Rover group, the new Range Rover is aimed at moving the company into direct competition with established luxury car producers such as Mercedes-Benz, Jaguar, BMW and Lexus (Toyota).

"The major business opportunity is to appeal to a much wider group of traditional luxury car owners," said Mr John Towers, Rover group chief executive.

The only vehicle in the world to have been exhibited at the Louvre in Paris as a work of art, the Range Rover, launched in 1970, is already a classic in the world motor industry - an executive/luxury car with polished wood trim but with the capability of crossing fields, streams, deserts and jungles.

The off-road capability is being maintained, but Land Rover has spent heavily to develop the new Range Rover's on-road credentials as a luxury car.

Priced between £31,950 and £43,950 and with a top speed of 125mph (200kph), the Range Rover is being launched as a head-on competitor for buyers of luxury cars such as the new Jaguar XJ series unveiled yesterday, the BMW 7 Series, the Mercedes-Benz E and S-Class and the Lexus LS400.

The new line is only one element in a strategy being developed by Rover's subsidiary of BMW of Germany since early this year, which could more than double Land Rover production by the late 1990s.

Production expected to reach a record 85,000 this year, is forecast to exceed 100,000 for the first time in 1995, as sales are boosted by the launch of the new Range Rover and by moves into new markets.

Land Rover is also developing a range of smaller Land Rover vehicles as part of the group's £1bn, five-year new model investment programme.

Pergau dam companies censured

By James Blitz

The government yesterday censured three of Britain's leading industrial companies for their role in helping to build Malaysia's Pergau dam, while playing down the part played by Mrs Margaret Thatcher (now Baroness Thatcher), the former UK prime minister, in negotiations over the project.

In a formal response to a recent House of Commons report on Britain's offer of \$234m to help build the dam, it criticised the main companies involved - Balfour Beatty, Trafalgar House and GEC - for providing Mrs Thatcher with incomplete information over the financing of the deal.

The government did not question the judgment made earlier this year by the Commons Foreign Affairs Committee that Lord Younger, the former defence secretary, had acted in a "reprehensible" way by signing a protocol on arms sales that committed the UK to offer civil aid to Malaysia.

Responding to the committee's judgment that Lord Younger should first have consulted the Foreign Office, which is responsible for the administration of overseas aid, the government merely stated that it "acknowledges the importance of widespread consultation both within Whitehall and with overseas posts".

But the six-page government

response rejects claims made by the Foreign Affairs Committee that a series of ministerial replies on the funding of the dam - including one given by Mrs Thatcher - were "less open and less informative" than the House of Commons had a right to expect.

Instead, in 17 written responses, the government directs clear criticism at the consortium of companies which had advised Mrs Thatcher on how much it would cost them to build the dam before negotiations with the Malaysian government in March 1989.

In its report on the affair, the committee noted that the consortium led by Balfour Beatty had "put pressure" on Mrs Thatcher to make a firm offer to

fund the Pergau project at a cost of £216m. Shortly after the deal was struck, the cost escalated to £397m. This increased the cover required under Britain's Aid and Trade Provision.

The government stated yesterday: "It would have been helpful if the consortium had been forthcoming about the risks of a significant price increase."

One of the issues at the heart of the Pergau affair is the allegation by senior UK officials that the project was an "abuse" of the UK aid programme which would spoil the Malaysian environment. The government stated yesterday that the aid would produce much-needed peak-time power in an environmentally friendly and sustainable way.

Inequality fuelled by tax, study shows

By Gillian Tett

The distribution of wealth across the UK is extremely unequal, with most households having no substantial savings other than their houses and pensions, a new economic study has shown.

In a further factor that may exacerbate inequalities, the savings of the poor are apt to be taxed more than those of the rich, the research suggests.

The study, by the Institute for Fiscal Studies in London for the Joseph Rowntree foundation, says the tax discrepancy is due to different savings methods used by rich and poor.

According to the survey, the average amount of wealth held by households is about £3,000, excluding pensions and housing. That overall figure is skewed by a small number of very wealthy individuals - about half the households have savings of less than £450, the report notes.

Poorer households tend to attract higher taxation, primarily because their savings are concentrated in interest-bearing accounts at banks and building societies, which are taxed more heavily than other forms of wealth.

The poorer half-of-the popu-

lation, hold some 60 per cent of their assets in interest-bearing accounts, much of the rest held in national savings accounts. Among households with between £50 and £450 worth of savings, 80 per cent of that is in banks or building societies.

The richest part of the population holds much of its wealth in specialised financial assets given generous tax treatment. Shares, PEPs and other investments such as unit trusts account for about half the savings of the richest 5 per cent of the population.

The report, which drew on a five-year research programme by the National Opinion Poll, notes that this profile has shifted in recent years, with a fall in the proportion holding interest-bearing accounts.

The IFC concludes: "Stocks of housing and pension wealth are the most important - often only - forms of wealth for most households. Only the minority of households have enough liquid financial wealth to provide for unexpected hardship, such as unemployment, before they actually retire."

The Distribution of Wealth in the UK; by James Banks, Andrew Dilnot, and Hamish Low, IFS, 7 Ridgmount Street, London WC1E 7AE, £5.

Rail settlement reached

By Robert Taylor

The deal hammered out to settle the 15-week rail dispute is expected to win overwhelming endorsement from the signal workers over the next two days.

But members of the signal workers union, the RMT, are still threatening to bring London Underground to a halt for 24 hours tomorrow.

The package accepted by the union executive and negotiated with Railtrack, the state-owned company that operates the network's infrastructure, is being put to a telephone poll of union members today and tomorrow.

The main points of the deal are:

- An average increase in total earnings, including overtime and supplements, for signalmen of 8 per cent this year;
- A 20 per cent average increase in basic rates;
- A one-off lump sum payment averaging £480.

● A further 2.5 per cent annual pay rise this year back-dated to April.

The first three elements of the deal are linked to future productivity improvements. They do not include any payments for past efficiencies - the demand made by the union that led to the dispute.

Mr Jimmy Knapp, the RMT transport union's general secretary, said yesterday the deal was an "excellent" one for the signal workers as well as being a "sound investment for Railtrack and the railway industry generally. It is a victory for the



Robert Horton: "An agreement to modernise working practices"

steadfastness of the signal workers."

Railtrack's chairman, Mr Robert Horton, said: "At last we have reached an agreement to modernise the working practices in the railway industry. The essentials of this package have been on offer the RMT executive since June."

Britain in brief



Ministers set to review energy trust

Ministers will shortly be considering options for rescuing the troubled Energy Savings Trust, a central component of the government's energy-efficiency policy.

A report by officials from the Treasury, the Department of Trade and Industry, and the Department of the Environment on a review of the trust's long-term funding is understood to be near completion.

The trust's £700m budget up to the year 2000 was supposed to be funded by levies on gas and electricity consumers. But this year the gas industry regulator stymied the scheme by refusing to authorise a levy on the grounds that it was a form of taxation.

Rescue for new private hospital

A private hospital set up to cater for patients from overseas has been saved from the brink of receivership by its bankers and by the Scottish Office only three months after it opened.

One lender to Health Care International, a £180m hospital at Clydebank near Glasgow, is understood to have become alarmed at the small numbers of patients being treated in the hospital. The consortium of banks agreed two weeks ago to advance more money and the Scottish Office speeded up payment of a grant to ensure the company's survival.

HCI is now attempting to raise a further £15m in equity by October 14 in order to reassure the banks.

The 260-bed hospital offers acute treatment to patients who are unable easily to obtain treatment in their home countries and who cannot afford to go to the US for treatment. Some £29m in public funding has been paid or committed to the project.

Scrabble at 50 as Saga cuts age limit

You no longer have to be 60 to play scrabble with pensioners in Torquay, roll your words along the bowling greens of Bournemouth or to go ballroom dancing on the cruise ship Canberra.

Saga, the travel group which sells holidays to pensioners, is breaking with a 45-year tradition and lowering the minimum age of its customers from 60 to 50.

Mr Roger De Haan, Saga's chairman and the son of its founder, said yesterday he had originally opposed the change but had accepted that his group should cater to the growing number of pensioners under 60.

The change will lead to a large increase in the size of Saga's market. There are 12m UK residents over 60 and a further 6m between the ages of 50 and 60.

Mr De Haan said: "I reckon there are going to be 6m deeply depressed people contemplating the thought that they qualify for Saga holidays."

Discount airline sales may get rules leeway

The Civil Aviation Authority is considering scaling down plans to regulate airline ticket "bucket shops", which sell airline tickets at a discount, in spite of support for tougher legislation from consumer bodies, trading standards officers and tour operators.

Satellite group aims up-market

Entelsat, the European satellite organisation, is planning to target the UK market in a campaign designed to take satellite television more up-market.

Until now the British market has been dominated by the channels on the Astra satellite system, particularly the subscription channels of British Sky Broadcasting.

Entelsat hopes to use new English language channels on its Hot Bird satellite, due to be launched at the end of November, to reach UK viewers.

PEOPLE

Glaxo replaces Sir Paul with Sir Colin

Sir Colin Corness, chairman of building group Redland and of the Nationwide Building Society, is to add to his list of chairmanships that of Glaxo, the pharmaceutical company.

Sir Colin, 63 next month, replaces Sir Paul Giraumont, who retires at the age of 60 on November 18. The changeover will take place on May 17 next year when Sir Colin retires from Redland after 30 years there.

Born into a wealthy Scots family, Sir Colin (right) has had a stellar commercial

career largely in construction and finance. He is now firmly part of the establishment with among other things, directorships of the Bank of England and of S.G. Warburg, the merchant bank.

He trained as a barrister before joining construction company Taylor Woodrow as a director at the age of 30. Within three years he switched to building materials company Redland, moving through the post of managing director of Redland Tiles in 1967, becoming

chairman and chief executive of the whole company from 1977. He built a reputation for innovative energetic management and an ability to pick able associates.

His appointment ends a long search by Glaxo for a non-executive chairman to work alongside deputy chairman and chief executive Sir Richard Sykes.

Sir Colin's salary, of around £200,000, is a fraction of the £1.4m package Sir Paul was paid in his last year as executive chairman.



Finance moves



Hilary Wild, 45, who has been with Kleinwort Benson Investment Management since 1990, has been appointed managing director of Kleinwort Benson Charities, the firm's fund management division, where she will be responsible for managing funds in excess of £500m.

Wild's career is evidence that being a chartered accountant does not necessarily lead to a dull life: she spent time in Greece - between 1981-84, as country representative for Marine Midland bank - and New York, where from 1986-1990 she was chief of finance at the United Nations Children's Fund.

At UNICEF, which she found a very dynamic entity, Wild was primarily involved in overseeing the \$350m short-term investments of the organisation, as well as keeping a close eye on cash-flows of the 100-plus field offices.

Joining Kleinwort Benson, she first was involved again in shipping finance, before taking over as sales director of leasing and asset finance. She became a director of Kleinwort Benson Ltd in 1992.

In her new role she will be looking after the funds of more than 80 medical, educational, religious and other charities. In July this year Kleinwort launched two funds,

the Chariguard UK Equity Fund and the Chariguard Fixed Interest Fund, the first an index-linked fund, the second a more conventional fund investing in government securities.

Scotti Delman, formerly head of emerging markets corporate finance at Bank of America, has been appointed a director of FOREIGN & COLONIAL EMERGING MARKETS.

Robert Kyprianos formerly director of portfolio management at Salomon Brothers Asset Management in London, has been appointed head and chief investment officer of KIDDER PEARSON Asset Management.

Carol Goodwin, formerly md of Canada Trust Bank in the Netherlands, has been appointed md of GUINNESS MAFON GUERNSEY and Michael Palm, formerly south coast regional director of Hill Samuel, director of business development.

Barry Martin has been promoted to general manager for Greece for ROYAL BANK OF SCOTLAND, based in Piraeus.

Bill Dootson has been appointed md of HENRY COOKE, LUMSDEN's private client division in Manchester; he and Martin Robinson, md of Henry Cooke corporate finance, join the group board.

Greg Cremen has been appointed a director of GARTMORE Capital Management, and Sally Tennant, head of the European equities desk, has also been appointed md. Diane Wilde has been appointed a director of Gartmore Scotland.

Patricia Maxwell-Arnot, formerly a director of Lazard Brothers and head of its European desk, has been appointed director of European equity investment at CREDIT SUISSE Asset Management.

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MANAGEMENT: MARKETING AND ADVERTISING

Club Med in Ibiza has temporarily assumed a new identity: the entire 1,000-hed operation has been taken over and rebranded Club Pepsi Max, as Pepsi-Cola mounts what must be one of the most ambitious pan-European promotions ever attempted.

A total of 1,400 competition winners, most of them in their late teens and early twenties, have been flown from all corners of eastern and western Europe, for a week's all expenses-paid holiday. To get there, they had to be successful in a variety of Pepsi Max promotions, from finding lucky-number ring-pulls, to composing slogans – the exact competition details have been left to Pepsi marketers in each country.

Prizewinners are playing basketball with Magic Johnson, receiving tennis coaching from former Wimbledon champion Pat Cash and receiving fashion advice from supermodels Linda Evangelista and Karen Mulder, who have all been flown in by Pepsi. The entire multi-million dollar event has been designed to complement Pepsi Max's sporty positioning as a low-calorie cola drink for youths wanting to "live life to the Max".

The Ibiza event, gigantic in scale though it is, with Pepsi still adding up the millions of entries to the promotion across Europe, could be the start of something even bigger for Pepsi's parent company, PepsiCo. For the US group – which has in its stable Pizza Hut, KFC (formerly Kentucky Fried Chicken), as well as snack foods such as Walkers Crisps – has also used the event to unveil plans for European growth and co-operation between its hitherto autonomous business divisions.

Using the Ibiza venue during the weekend before the first batch of lucky prizewinners arrived, PepsiCo invited more than 600 trade customers, including supermarket, petrol station and leisure park operators, to sample Club Pepsi Max hospitality and to listen to presentations about the company's plans.

In particular, the company wanted to get over the message that PepsiCo has more to offer than a brown fizzy drink.

For example, it wants to see petrol stations and retailers who may currently stock Pepsi, also considering their snack products and even wanting to site quick-service KFC or Pizza Hut outlets on their premises.

Says Charlotte Pinder, marketing director for Pepsi Max Europe: "We've been quite poor at working together with some of our sister companies in the past. We've always been encouraged to be autonomous units."

PepsiCo has combined an ambitious promotion with a plan to squeeze suppliers, writes Diane Summers

Living life to the Max



Reaching new heights: Supermodel Karen Mulder is helping Pepsi's venture

This has had its benefits in encouraging competition between PepsiCo's businesses, but it has also meant, says Pinder, that the advantage has not always been taken of the "huge overlap in target audience" between the businesses.

Also under-exploited has been the overlap between the goods and services purchased by all the separate businesses. For the last year, PepsiCo's European heads have been meeting to see what economies of scale across operations might yield.

The target is to save \$100m (£66m) a year across Europe, out of costs of about \$2bn, by using the combined muscle of the separate businesses.

All this is due to happen within a year.

According to Paul Steele, Pepsi-Cola's vice-president, sales and marketing in Europe: "When we went through the list it was surprising. For example, Pizza Hut buys an enormous quantity of cardboard for their boxes; Pepsi-Cola buys cardboard for soft drinks trays. We're looking at whether we can leverage that scale."

The same potential economies of scale could apply to the purchase of flour, salt, spices, cooking oil and TV advertising airtime, say the heads of PepsiCo's different divisions. Says Steele: "The

businesses developed very separately. We didn't have the scale to do this before, but it has suddenly become a very exciting proposition."

The building of this scale in Europe, which was outlined for the first time to trade customers in Ibiza, is intended to take PepsiCo over the next six years from an organisation which reaps 80 per cent of its profits from the US, to one which is reliant for only 50 per cent of its business on the home market.

As an example of the kind of growth to be expected, David Williams, who is responsible for Pizza Hut in Europe, says there are plans to invest over \$100m in his operation over the coming year; from 1,000 units today, the aim is to build to 6,000 across Europe by the end of the decade.

Purchasing specialists agree the target of \$100m-worth of savings by co-operation between businesses on purchasing – equivalent to about 5 per cent off PepsiCo's European bills – looks realistic, when compared with other companies' experience.

Mark Ralf, group purchasing director for SmithKline Beecham worldwide, and a member of the Chartered Institute of Purchasing and Supply, agrees that "you can generate huge benefits out of this kind of focus".

His purchasing operation has taken about \$200m over three years out of about \$3m of the group's costs world wide. But, he warns, PepsiCo could discover what many companies have found: "Identifying the savings is one thing, actually making them happen is another."

Another specialist in the area points out: "Americans have a relatively naive view of what happens in Europe. They tend to believe that getting synergies across Europe is the same as getting synergies across the US. As well as cultural differences, there just aren't the integrated supply chains that you have across America. They expect Europe to be the United States of Europe."

At Club Pepsi Max over the past few days, PepsiCo is convinced that it has found the pan-European youth dream. Consumer research conducted by Pinder throughout Europe for the promotion resulted in "surprise within the company that teenagers in different countries are a much more homogenous group than anyone had imagined," she says. There was universal excitement among young people about the idea of being a star for a week in the company of celebrities.

The next year will see how far suppliers and trade customers can be persuaded to share PepsiCo's pan-European dreams and ambitions.

The fast way to a Japanese stomach

Emiko Terazono explains why Pillsbury succeeded where others failed in a challenging market

Cracking the Japanese market is daunting enough for foreign food processing companies at any time; doing so in a period when demand is sluggish is even more challenging.

Pillsbury Japan, the Japanese arm of the US food processing company, has managed to clear both hurdles by forming business relationships with Japanese partners, businesses involved in product distribution and PR companies.

Building on its "Green Giant" brand canned corn, Pillsbury Japan has carved itself a niche in the canned and frozen vegetables market, and sales have grown from ¥2bn (£13m) in 1987 to ¥10bn last year.

Part of the success, says Toshi Mitamura, president of Pillsbury Japan, has been in maintaining good relations with its Japanese partners, businesses involved in product distribution and PR companies.

It is essential to form a strong relationship with a company's management – even if it means late night drinking sessions and karaoke – and to involve them in marketing plans from an early stage, he says.

This aspect of doing business in Japan has been the Achilles heel for many foreign food makers. Forays into the Japanese market by companies which tried to go it alone such as Borden, the ice cream maker and Campbell Soup, have failed.

But while establishing a favourable relationship with QP, which handles its canned vegetable line, and Nissin, a frozen foods company, which distributes Green Giant frozen vegetables, Pillsbury says it was careful to retain control of product development and the marketing of its brands.

Another important factor, says Mitamura, is empowerment to the local head from the parent company.

"Japanese companies will not take you seriously if the local president is not given full authority over decisions."

Mitamura, who gained his expertise in the food industry at Morigata, a Japanese dairy goods maker, and Mister Doughnuts of the US, adds that knowledge of the complex distribution system, the speed of introducing new products and knowing how to handle red tape at the Ministry of Health and Welfare is also important in the food business.

Once in the Japanese market,

It is essential to build a strong relationship with a company's management – even if it means late night drinking sessions and karaoke

expanding business has also been a challenge. Although Japan's ¥32,152bn food processing market is one of the world's largest, growth has stagnated over the past few years.

Pillsbury has tried to overcome this by introducing frozen vegetable products designed for the Japanese market. One product which other frozen food companies have followed is the burdock and carrot vegetable mix, often used in Japanese cooking.

The research and development has paid off and the company now has 43.5 per cent of the frozen vegetable market.

"Product development is always necessary," says Mitamura, adding that there is danger in total reliance on the parent company and the brand name.

Mitamura says foreign food companies have an advantage over domestic companies because they can offer cheaper imports.

With discounting already a trend in the Japanese retail sector, foreign companies can attract consumers without hurting profit

margins by bringing in low-priced products processed in their manufacturing bases abroad.

Lower import prices as a result of the yen's recent rise have therefore helped Pillsbury expand its product range in Japan. This month it will start offering its Dough Boy baking products, and last month it opened a food research and development centre – its first overseas technology centre outside the US – to target the Japanese and Asian markets.

The expansion in the region comes at a time when growth in the US food market, Pillsbury's core market, is slowing and companies are being forced to look for savings growth overseas.

The fast-growing Asian economies present profit opportunities because a company can develop products in Asia and then offer them to the growing Asian population in the US.

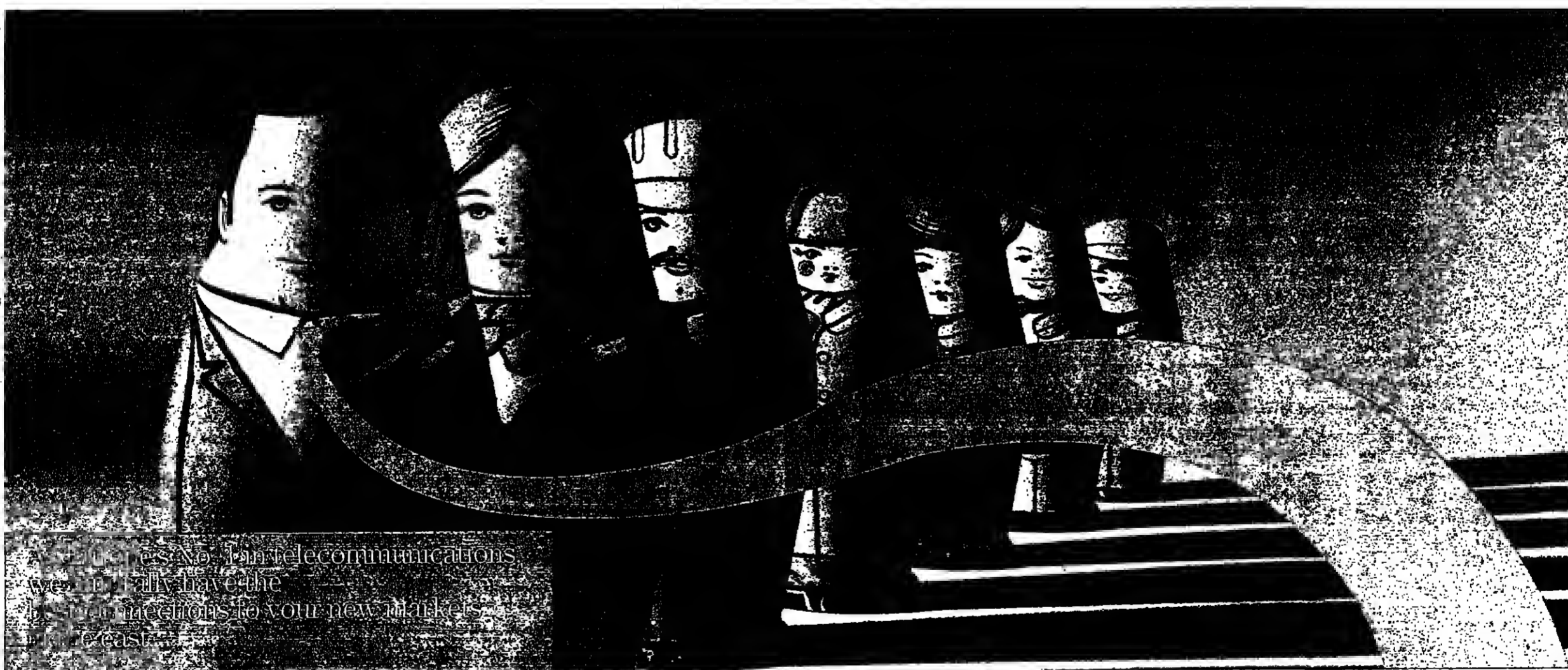
Some analysts point out the danger in rapid expansion in new areas at a time when the Japanese economic recovery is at an early and tentative stage.

"Although market research may show demand, many foreign food companies have found themselves in trouble when trying to introduce new products," says Patricia Horvath, foods analyst at brokers UBS Securities in Tokyo.

At the same time this is a good moment to invest, says Mitamura. Most Japanese companies are reducing capital investment. Construction orders and property prices are on the decline, which made it easy for Pillsbury to find a contractor to build its new technology centre.

However, he adds that the environment surrounding food manufacturers in Japan is becoming increasingly tough because of the rise in retailers' low-priced, private-brand labels.

"In order to survive, food manufacturers have two choices. Either become a sub-contractor for a retail group, or become a manufacturer with brands that offer innovative products at competitive prices," he says.



Whether it's easy access to international telephone lines, or setting up inter-office computer links, fast and efficient two-way communications are an absolute must for western companies doing business in the emerging markets of eastern Europe. Unfortunately, the existing public networks in these countries cannot cope with the traffic demand and this creates a severe problem for many companies.

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Vanessa Houlder examines intelligent computers in a series on IT innovation in the financial services sector

New tools for routine jobs



Financial services' IT innovation

A new generation of computing tools is being pressed into service in some of the most competitive and innovative sectors of the financial services industry. "Intelligent" computing techniques are designed to imitate human behaviour in the way information is sifted and responses made. They include neural networks, which are interconnected computing units that loosely resemble the function of neurones in the human brain; genetic algorithms, which help find the best solution from large amounts of data; and fuzzy logic, a tool for dealing with imprecise information.

They are being used in a range of applications, including credit assessment, fraud detection, forecasting and portfolio management. Banks believe they have the potential to sharpen their competitive edge, since their adaptability and skill at manipulating large amounts of data often surpass traditional statistical techniques.

Almost every large financial business in Europe and the US is experimenting with these tools, according to Sergio Focardi, a partner of the Intertek Group, a Paris-based research organisation which has conducted a survey of advanced computational methods in 50 international banks. This research, in which banks are typically investing

up to \$3m (£1.8m) a year, is viewed as highly promising, he says.

Some bankers are very enthusiastic. "The potential is incredible," says Bill Edisbury, manager of emerging technology at TSB bank.

The TSB has been experimenting for five years with building models using neural networks' ability to learn from experience. TSB General Insurance in Newport uses such a model to set premiums for personal loan protection insurance, based on data from national unemployment statistics and claims histories. The bank, together with University College London, has also exploited the pattern-recognition ability of neural networks by building a model that was 57 per cent successful in forecasting the direction of the long-dated gilt market.

But for every enthusiast, there is a sceptic. Many financiers believe that these computational techniques promise more than they can deliver. Moreover, the secrecy that surrounds most banks' experiments in the field is believed often to hide disappointing results. "It is a triumph of optimism over experience. People's experience has been mixed to poor," says one banker.

The performance of these tools depends largely on where and how they are used. Intertek's Focardi believes that the success of the tools in forecasting markets' behaviour lags behind their success in dealing with relatively simple questions in credit assessment, fraud detection and marketing, where

"the results are consistently good".

He says: "Forecasting is a more difficult subject because of the intrinsic complexity of markets' behaviour, the possibility of structural change and the lack of data."

Even enthusiasts such as Edisbury believe that the take-up of these tools by the financial markets may be slower than originally expected.

The tools are not necessarily expensive or difficult to apply. One package, devised by Right Information Systems, a software house, which is used in several banks, costs £10,000 and can be used by anyone with spreadsheet skills. This system can run on a standard PC, although some users prefer high-performance computers.

However, many people are reluctant to use neural networks because of the difficulty in seeing how a particular decision was reached. This is a particular problem in loan evaluation work, where it is often necessary to explain why a loan has been turned down.

Another problem is "overfitting", where the model finds spurious patterns in a given set of data. "Neural nets are so easy to abuse," says Konrad Feldman, a researcher at UCL. "The fact they have learned something doesn't mean they can generalise."

One way in which these weaknesses can be overcome is by combining neural networks with other innovative techniques in hybrid systems. For example, the param-



A model future: "The potential is incredible," says Bill Edisbury (above) of the TSB

eters used by a neural network model can be refined using genetic algorithms, which attempt to breed the best solutions from a set of random solutions in a manner analogous to the mechanisms of biological evolution. They are being used to construct useful trading rules from a set of plausible rules and in portfolio management to find an ideal combination of assets.

Neural networks and genetic algorithms can also be used in conjunction with fuzzy logic. Fuzzy logic provides a mechanism for handling imprecise concepts, such as "small", "big", "high" and "low", which is particularly useful in loan evaluation and portfolio selection.

Japanese banks have been in the forefront of these techniques. For instance, Yamachi Securities uses fuzzy logic to make decisions for an investment fund; Nikko Securities

uses a neuro-fuzzy system for a bond-rating programme.

To a greater or lesser degree, all these computational tools are difficult to apply. Paul Refenes, an expert in financial engineering at London Business School, doubts that there have been any "wholesale" successes in applying these tools to the management of money, and says that difficulties in quantifying risk will make banks reluctant to hand over large sums of money to these machines.

Yet even if their scope to manage money autonomously proves limited, they are expected to have a greater role in aiding research. "They could replace certain expert areas in the financial services sector," says Edisbury, while Refenes says: "They will become a tool that traders and investment managers will have to use."

It is also capable of working autonomously, since it can set its own objectives. The London Stock Exchange has yet to decide whether to install the system permanently. "It is one of several means of analysing share movements which we are looking at to strengthen our regulatory operations here."

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The magic way to keep in touch

The latest personal communicators promise a wide range of new functions, writes Louise Kehoe

It is "take two" for personal communicators, as a new set of players takes the stage with the launch in the US this week of Sony's "Magic Link", a second-generation of hand-held devices combining communications and personal computer functions.

Unlike the first "personal digital assistants", such as Apple Computer's Newton, which failed to live up to the expectations of their makers, Magic Link owes much of its wizardry to an advanced data communications network called PersonalLink, provided by AT&T.

While Apple's Newton is primarily a personal organiser, with some communications functions, the Magic Link is, first and foremost, a communicator. Weighing 20 oz, and measuring 7½ by 5¼, the device automates many of the chores of communicating by electronic mail, pager, telephone or fax.

The Sony product, and others from Motorola, Matsushita of Japan and Philips of the Netherlands which are expected to follow, are access devices for this new network.

PersonalLink, which began operating in the US this week, is "a foundation, or platform for an electronic community," AT&T says. Similar to established computer on-line services such as Prodigy and CompuServe, PersonalLink allows users to send and receive electronic mail, access news services and go "electronic shopping".

PersonalLink is the first commercial network to support the use of "intelligent agents".

These are mobile programs that can be instructed to travel the network performing tasks such as searching for a particular product or data. "Agent" technology is the creation of General Magic, a Silicon Valley company backed by Apple Computer, Matsushita and Philips as well as Sony and AT&T.

Magic Link uses General Magic's "Magic Cap" graphical interface, which presents functions in familiar scenes: the desktop, complete with telephone,

notepad and postcards that can be used to send brief messages; a hallway with doors to rooms such as the library, for reference materials; and "downtown", with buildings that represent services such as a travel agent for booking airline flights.

Initially, PersonalLink will primarily be a messaging service - with a difference. The service will offer users the ability to order incoming messages according to priority. PersonalLink also addresses another drawback of electronic mail - the need to know electronic mail "addresses", for which there is no central directory. PersonalLink subscribers can send messages to each other simply by name. An agent will automatically search the directory of subscribers, deliver the message and bring back complete addressing information to the originator.

Later this year subscribers will also have access to the PersonalLink Market Square, an electronic shopping mall. Through gateways to other electronic mail services, including the Internet, PersonalLink subscribers will be able to reach and be reached by millions of people. They will also be able to send (but not receive) facsimile messages.

For now, Sony's personal communicator offers only limited wireless communications via the SkyTel satellite paging network. An optional plug-in card adds paging. In January, Motorola announced the "Envoy" personal wireless communicator, also based on General Magic software, with a planned sale price of \$1,500, (\$950) but it has yet to come to market.

Sony's less ambitious approach, using conventional telephone lines rather than wireless services has helped keep the list price below \$1,000. It is expected to sell at about \$700.

Aimed initially at "technologically optimistic mobile professionals", Magic Link and PersonalLink could lighten the load of business travellers who carry a notebook computer, cellular telephone and pager around in their bulging briefcases.

Tackling insider dealing with fuzzy logic

Frank investigators at the London Stock Exchange are testing pioneering "intelligent" technology in an attempt to crack insider dealing rings.

The exchange recently conducted a pilot study with an automated insider dealing detection system, codenamed Monitors (Monitoring Insider Trading and Regulatory Surveillance), installed by SearchSpace, a company that uses University College London's research in intelligent systems. The aim is to detect dealing rings of several individuals, or one individual with several accounts.

The problem, which is extremely difficult to solve using conventional techniques, such as statistical analysis, involves spotting the

"signature" of certain traders from a vast amount of electronic camouflage, explains Jason Kingdon, a UCL researcher.

It is an example of a pattern recognition problem that can be skilfully handled by a neural network, a computing device which has similarities with the structure and function of nerve cells in the brain.

The neural network is used in conjunction

with several other "intelligent" techniques. For example, it uses fuzzy logic, a mechanism for dealing with imprecise information, in order to be able to cope with some inconsistencies in the patterns picked out.

It also uses genetic algorithms, which use mechanisms inspired by biological evolution to search very large data sets.

In the Monitors systems, a genetic algo-

ALFA ROMEO

164

LEADING EDGE

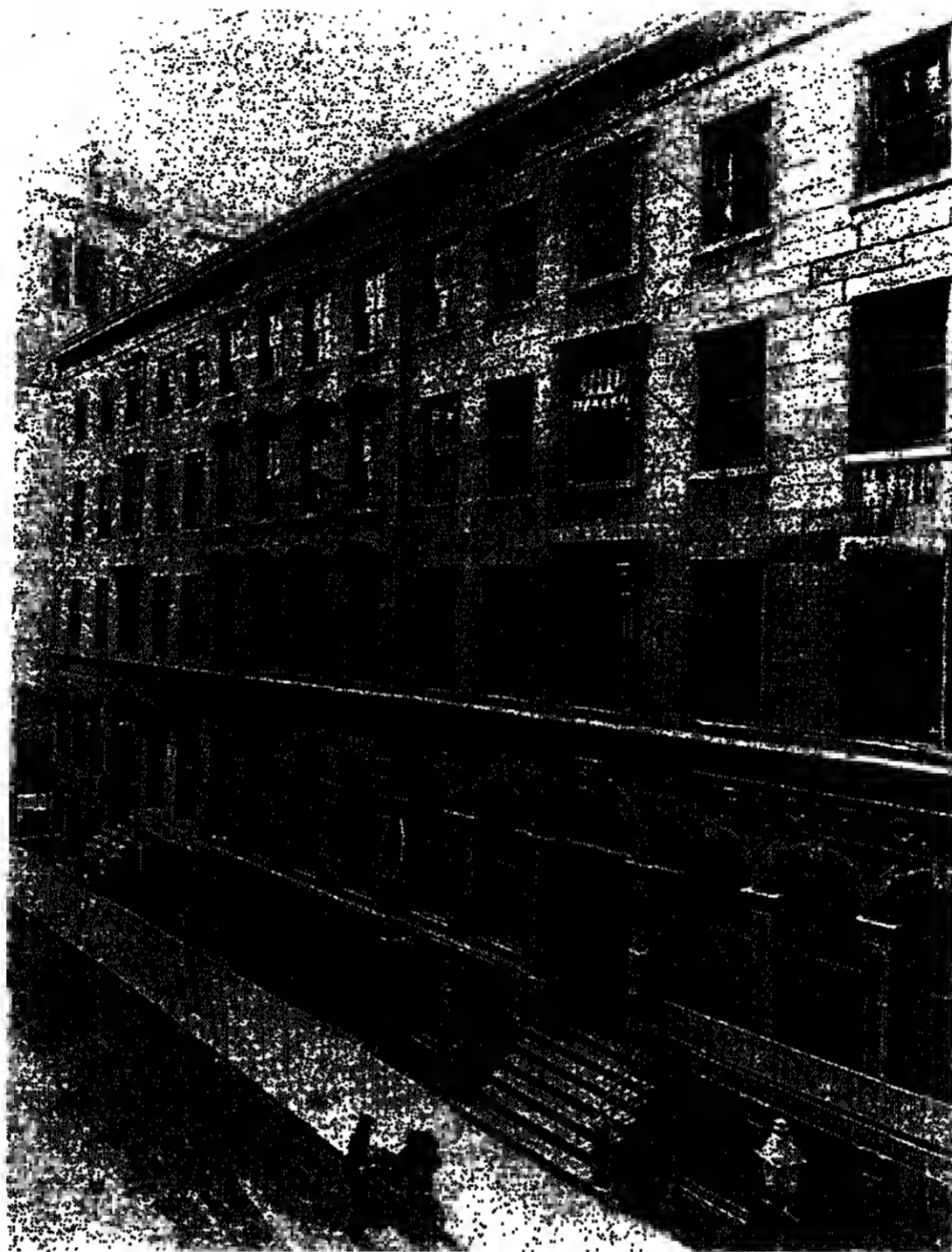
Engines have always been the heart of every Alfa Romeo. Now, in the Alfa 164 Super, they beat more strongly than ever. Whether choosing the potent 2.0 Twin Spark or the all-conquering 3.0 V6 24V, you can be assured of the sort of instantaneous throttle response and smooth, eager power that only an Alfa Romeo could deliver. Combine this with the supreme comfort, handling, safety and security features of the 164 Super, and you have a car that is truly a masterpiece of engineering.

Alfa Romeo 164 Super

Engine	Power (kW)	Power (hp)	0-100 (sec)	Top Speed (km/h)
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2.5 V6	135	184	9.5	200
3.0 V6 24V	180	245	6.5	230

Alfa Romeo 164 Super

Cuore Sportivo



30 PINE STREET IS LONG GONE BUT THE FOUNDATION STILL REMAINS.

In 1869, Marcus Goldman started a small company in downtown Manhattan. He spent his days amid the hustle and bustle of a growing city, providing short-term credit to local

WORKING
SINCE
1869

businesses. Over the past 125 years, we have come a long way in size and scope from that first little office. Today, Goldman Sachs provides clients with a seamless web of services

that covers the globe. Still, we find ourselves grounded in the basic principles set forth in our early days: commitment to clients, teamwork, individual excellence, creativity and

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integrity. In 1994, we take pride in how we got here, and we pay tribute to the beginnings that have always inspired us. It's a foundation we intend to build on in the years to come.

COMPANY NEWS: UK

New York Life and St James's Place Capital create £100m venture Weinberg to head 'vulture' fund

By Alison Smith

Sir Mark Weinberg, one of the leading figures in the UK life industry, is to chair a new company with £100m capital to acquire life companies, close them to new business and manage their existing funds.

The company is to be a joint venture with New York Life Worldwide, a subsidiary of the fourth largest life insurance company in the United States. It owns Windsor Life, which is already in this area of business in a smaller way, having acquired six life companies in the past ten years.

When the plan was originally announced in November it was intended to link up with a bank or building society as a way into "hancassurance" - the selling of financial products to bank or society customers through branch networks. This is now to be pursued separately.

The main shareholders in the new company are St James's Place Capital, the investment company run by



Sir Mark Weinberg: entering the closed fund business

Sir Mark and Lord Rothschild, and New York Life, which is to transfer the closed fund business of Windsor Life.

Each will have a 30 per cent stake, while Scottish Amicable will subscribe £10m, with other institutions expected to contribute the remaining £30m.

Mr John Wybrew, the chairman of Windsor Life will be chief executive of the new company. He expected the first acquisition within the next six months or so.

He thought small and medium-sized mutually-owned insurers would be most vulner-

able, since they would suffer from their lack of access to capital. The position of UK subsidiaries of foreign companies which have failed to achieve critical mass was also highlighted.

The plan is a version of what is known in the life insurance sector as "vulture life" because it depends on picking up life companies which cannot survive on their own, and living off the business they have already acquired. Combining the investments managed by separate companies should bring cost savings.

Rising costs of meeting regulatory standards in selling financial products against a background of intensifying competition have led many life insurers to believe that the number of life companies open to new business will sharply fall over the next few years.

Earlier this week, an analysis by Bacon & Woodrow, the actuaries, suggested that within a decade 40 per cent of life insurers would be struggling to remain open.

Acquisitions help lift Adwest 21%

By Peter Pearce

Acquisitions and a sharp rise in profits from its automotive side helped Adwest, which also has power systems and property divisions, to report a 21 per cent pre-tax advance for the year to June 30.

Group profits rose to £11.4m (£9.42m) on turnover up by £10.6m to £147.5m. However, without the input from the five companies acquired in the year - which contributed profits of £1.44m on turnover of £10.6m - group operating profits would have fallen to £9.73m (£10.5m).

Operating profits on the automotive side grew 45 per cent to £3.04m on turnover up 10 per cent to £81.4m, while power systems fell 19 per cent to £2.14m on turnover up 5 per cent to £25.5m. Property profits slipped 6 per cent to £2m.

On why automotive had swung from profits 11 per cent lower in the first half to 45 per cent ahead in the second, Mr Graham Menzies, chief executive, explained that France in the first six months had been "grotty"; by the end of the year it became "super". Some £42m of turnover is in France. The automotive acquisitions chipped in £580,000 and in the first half the group had paid £380,000 due diligence costs for companies it did not buy.

On the positive side, the success of the Land Rover Discovery helped lift sales and improve margins and the thermostat business performed well. The Rousseau Jacks business had doubled turnover to £10m since acquisition.

Slippage in defence demand lay behind the power systems fall. At the 222.2m rights issue in September 1993, defence accounted for more than 50 per cent of power systems turnover. The acquisitions had cut that to under 30 per cent.

The property side would be retained, though not developed - it helped pay the dividends, Mr Menzies said. A final of 5.4p (5.2p) lifts the total to 7.5p (7.2p), payable from earnings of 10.4p (10.5p).

Frogmore shares up 25p as net assets rise 26%

By Simon London, Property Correspondent

Frogmore Estates yesterday surprised the stock market with a 26 per cent rise in net assets for the year to June 30. Shares rose 25p to 444p in response to figures which also showed a 34 per cent rise in pre-tax profits to £18.4m.

The company spent £40m on acquisitions during the year, bringing total expenditure to £155m since March 1992. Much of this was on retail properties, which now account for 25 per cent of its property assets.

Mr Phillip Davies, managing director, said the company's retail properties had shown especially good capital growth over the year. "We have been very deliberate in our acquisitions, always looking for an angle rather than just picking up income-producing assets," he said.

Frogmore also has a £115m portfolio of trading properties, which are held for short-term gain and carried in the balance

sheet at the lower of cost or market value.

Investment in housebuilding joint ventures increased by £10m to £33m during the year and residential trading property assets now amount to £94m. Mr Davies said the residential assets would be sold this year following refurbishment, although this should contribute to trading profits.

Frogmore also plans to sell around 600 new homes this year, against 689.

Net rental income rose from £16.5m to £20.1m during the year, reflecting rents from acquired properties and additional lettings. Around £2.2m annual income has been lost following early surrender of the lease on 180,000 sq ft of office space in High Holborn for £7m cash. The site is being considered for redevelopment.

Housebuilding contributed a gross profit £4.6m against £3.1m last year. After a loss on sales of trading properties of £829,000 (£193,000 profit) and administrative expenses of

£3.5m (£3m), operating profit for the year increased from £15.6m to £20.4m.

Net interest charges were higher at £5.6m (£5.1m) and taxation lower at £1.7m (£2.4m) following the release of £3m provisions. Earnings per share were 29.8p (21.1p). The final dividend is 13.2p (12.4p), making a total of 17p for the year.

COMMENT

Yesterday's pleasing increase in net assets will consolidate Frogmore's reputation as one of the canniest companies in the sector. A June year-end meant that yesterday's figures included the best of the rise in commercial property values, but the company has outperformed the wider market. The acquisitions made over the last two years look well-timed. Even if the property market has gone off the boil, Frogmore's large portfolio of trading properties and interests in housebuilding add spice to the earnings mix. Yesterday's rise in the shares is fully justified.

Erith doubled to £1.23m midway

Erith, the southern building materials group, yesterday reported pre-tax profits more than doubled from £523,000 to £1.23m for the first six months of the year.

Mr Bryan Castledine, chairman and chief executive, said the recovery in the new housing market had helped profits growth. However, activity in the home improvements market remained flat. There was also a first contribution from eight branches acquired last year.

They contributed £1.3m to total turnover, which advanced 17 per cent to £40.6m (£33.5m). Earnings per share improved to 1.85p (0.75p) and the interim dividend was increased from 0.35p to 0.75p.

Williams pleases with acquisitions' progress

By Peggy Hollinger

Williams Holdings yesterday announced its fifth acquisition in a year and also told institutional investors that five recent purchases had improved their profits contribution by an estimated £13m since joining the group's stable.

Silvani, an Italian fire protection group, is being acquired for £16.5m. Mr Roger Carr, chief executive of Williams, said Silvani was "an essential part of the jigsaw" in building the group's fire protection operation into a global business. It would add new products and markets, and provide a solid base for further acquisitions in the sector.

His comments came at an institutional briefing, during which Williams sought to set

itself apart from the ranks of other diversified industrial groups.

Mr Nigel Rudd, chairman, said Williams had evolved into a focused industrial manufacturing group, serving three sectors - fire protection, security and building products.

The shares added 7p to 344p. Mr Carr gave a progress report on five recent acquisitions in each of the divisions, which together had cost £200m and had returned profits of £19m. After reorganisation, at a total cost of £16m, the businesses were generating an estimated £22m. "And there are further benefits to come in 1996," said Mr Carr.

The charges for Solway Woodcare, purchased for £64m in July, would be slightly higher than expected at £8m.

Development Secs returns to dividend list

Development Securities, the property group, reported a pre-tax profit of £1m profit for the six months to June 30 following its return to profit in the second half of the previous year. Last year's interim loss was £2.6m.

It is returning to the dividend list after four years with an interim payment of 0.1p from earnings per share of 0.4p (7.5p losses).

Turnover fell 37 per cent to £9.7m. However, last year's £15.5m included £12.1m from discontinued operations. Operating profits were £3.1m (£500,000 losses).

Net assets at the end of the period were £82.2m, or 28.3p per share, compared with £8.1m, or 23.1p per share, a year earlier.

Quality Software makes strong advance to £604,000

By Alan Cane

Quality Software Products' shares rose 10p to 391p yesterday, as the Gateshead-based accounting software developer more than quadrupled pre-tax profits from £143,000 to £604,000 in the first half of 1994.

The results will be welcomed by investors concerned about the health of the computing services sector in the wake of a series of disappointing results from other companies, especially in financial software.

It also suggests that QSP is on track with Universal OLAS, a large-scale accounting package which has cost the company about £15m to develop over the past six years.

It has now sold the package to 19 clients at an average

price of £200,000.

Turnover rose 10 per cent to £7.37m (£6.61m). Earnings per share increased from 2.1p to 7.2p and an interim dividend of 1p is declared. Gearing has been reduced to 21 per cent from 32 per cent.

The company has continued to invest heavily in Universal OLAS with £2.3m committed last year. The product, a modular system which runs on a broad range of computing hardware and software, is now virtually complete and new developments have been initiated to create support for executive decision making and group working.

Mr Alan Mordant, chairman, said that good progress had been made in increasing sales of products and services,

expanding geographically and obtaining reference sites.

QSP's US partner, Global Software, has made its first sale of Universal OLAS to Avis in New York. It is expected that further partners will be announced within 12 months.

Dyson acquisition

As part of its diversification into ceramics and refractories, J&J Dyson has acquired Norton of Stoke-on-Trent's Cimson secondary kiln furniture and chimney liner business.

The business, which is expected to make annual profits of about £250,000, has been bought through its subsidiary, Dyson Industries, at a cost of £2.3m.

CONTRACTS & TENDERS

ENEA

ADVICE OF TENDER BY ABSTRACTS

ENEA - The Italian National Agency for New Technology, Energy and the Environment - with its head office in Viale Regina Margherita, 125 - 00198 Rome - telephone +39/6/85281 - cable ENEA-ROME, telex number 610183 - telefax number 85282777, calls a tender by public auction to provide the service of subscription to foreign periodical publications for the years 1995-1996-1997, excluding the services of receipt and control. ENEA has the authority of cancellation.

Award: art. 16 paragraph 1 letter a) decree law number 358/92.

Estimated amount: 2.2 billion lira a year. The bid has to be drawn up compulsorily in the Italian language and sent exclusively in a registered envelope to ENEA - Unità Coordinamento Procedure di Gara - Viale Regina Margherita, 125 - 00198 Rome within 12.00 pm (under pain of exclusion) on the 14th November 1994.

Bids will be opened starting from the 16th November 1994 at 9.30 am at the ENEA Head Office.

Deposit: it amounts to 66,000,000 lira as envisaged by the law 10.6.1982 number 348. In case of a stand-by or insurance letter of credit, it won't be possible to benefit from the preliminary examination. The deposit will be returned after the award of the tender.

The list of the documentation needed, the necessary requisites and the formalities which have to be observed (under pain of exclusion), are indicated in the unabridged edition of the call for bids appeared in the Gazette of the Italian Republic, section II dated 29.9.1994 N. 228.

The call for bids was sent to the Office EC-Official Publications on the 23rd September 1994 which received it on same date.

Specific technical news, ENEA general specification contract and procedures to enter the bid can be requested from ENEA - Unità Coordinamento Procedure di Gara - Viale Regina Margherita, 125 - 00198 Rome, from Monday to Friday (9.00 am - 4.00 pm) and not later than 4.00 pm on the 26th October 1994.

ENEA

THE DAVID THOMAS PRIZE

David Thomas was a Financial Times journalist killed on assignment in Kuwait in April 1991. Before joining the FT he had worked for, among others, the Trades Union Congress.

His life was characterised by original and radical thinking coupled with a search for new subjects and orthodoxies to challenge.

In his memory a prize has been established to provide an annual study/travel grant to enable the recipient to take a career break to explore a theme in the fields of industrial policy, third world development or the environment.

The theme for the 1995 prize, worth not less than £3,000, is: DOES FREE TRADE THREATEN THE ENVIRONMENT?

Applicants, aged under 35, of any nationality, should submit up to 1000 words in English on this subject, together with a brief c.v. and a proposal outlining how the award would be used to explore this theme further.

The award winner will be required to write a 1500 to 2000 word essay at the end of the study period. The essay will be considered for publication in the FT.

CLOSING DATE JANUARY 6 1995

APPLICATIONS TO:
ROBIN PAULEY, MANAGING EDITOR
THE FINANCIAL TIMES (L)
NUMBER ONE SOUTHWARK BRIDGE
LONDON SE1 9HL

TAIWAN SUPPLY BUREAU TENDER ANNOUNCEMENT

Buyer: TAIWAN RAILWAY ADMINISTRATION (TRA)
Purchasing Agent: TAIWAN SUPPLY BUREAU (TSB)
3, Kai Feng Street, 1st Sec, Taipei, Taiwan R.O.C.
Tel: (02) 3110814 Fax: (02) 3610995

INVITATION NO.	TENDER OPENING DATE	DESCRIPTION OF SUPPLIES	Q'TY/UNT/CAR
TSB-9432-130(1)	9:30am Nov 8 1994	i. Diesel Multiple Unit (DMU) ii. Diesel Railcar (DRC)	10 Units (30 Cars) 36 cars

For further details, please refer to the Tender Invitation. The Tender Invitation is waiting to be taken back (fee US\$340) and welcome to participate.

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COMPANY NEWS: UK AND IRELAND

Beazer sales rise helps lift shares 6%

By Andrew Taylor,
Construction Correspondent

The share price of Beazer Homes rose by more than 6 per cent to 131p after Britain's fourth largest housebuilder announced that sales had risen by a fifth since July 1 and had not been dented by the recent rise in interest rates.

The company also announced better than expected pre-tax profits of £33.9m for the nine months to June 30. This compared with £37.8m for the 12 months to the end of September 1993.

The City had been concerned that the rise of half a percentage point in interest rates might have upset the housing market recovery following comments by Tarmac on Tuesday that net reservations had

halved during the previous two weeks.

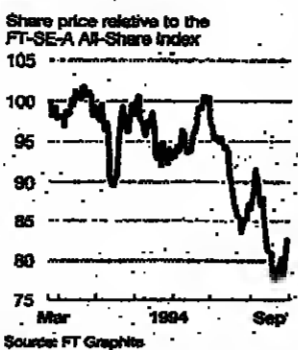
Mr Dennis Webb, Beazer's chief executive said: "We have seen no sign of a dip since interest rates increased and volume sales are up by 20 per cent since June, compared with the corresponding 12 weeks last year."

The company is selling homes from 40 more sites than at the same stage last year following its £31m purchase of John Mowlem's housebuilding operations.

Other large housebuilders yesterday agreed that sales had not fallen since interest rates rose on September 12, although some said that the traditional autumn surge had been more muted than expected.

Tarmac, the country's second biggest housebuilder, had

Beazer Homes



said that its net reservations, after allowing for cancellations, had fallen to between 50 and 70 a week, compared with between 100 and 150 before the interest rate rise.

Mr Victor Benjamin, Beazer's chairman, said yesterday: "While it is too early to evaluate the outcome of the recent interest rate increase, we believe that in the current market it is uncertainty over interest rates rather than the actual rates which unsettles consumer confidence."

"A further modest rate rise should not impact on sales, so long as the national recovery is maintained."

Beazer, which was floated earlier this year by Hanson, is paying a final net dividend of 1.8p - which it says equates to 5.4p for a full year. Earnings per share of 9.5p were equivalent to 12.7p for 12 months.

The company sold 4,015 homes over the nine months, at an average of £52,000 after sales incentives, against 4,805 homes sold in the previous 12 months. Operating margins fell

marginally to 13.3 per cent (13.6 per cent).

COMMENT

The market had underestimated the strength of Beazer's performance, hence yesterday's bounce in the share price. Margins in particular have held up better than the company forecast when it was floated. A strong balance sheet, with about £60m of cash in hand after the Mowlem purchase, is a very healthy position. Pre-tax profits of £56m puts the group on a prospective p/e of just over 9, which still looks cheap. Longer term there must be some concern about what a volume housebuilder does when the market eventually turns down - hence Tarmac's decision to reduce the proportion of capital employed in UK housing.

Falling whisky prices cut Burn Stewart to £4.2m

By David Blackwell

Falling whisky prices cut profits in half at Burn Stewart Distillers in the year to July 3. Pre-tax profits fell from £8.12m to £4.19m on sales ahead from £38m to £40.6m.

Mr Bill Thornton, chairman, described the year as "the most testing in the company's short history" following intense competition in the value-for-money sector.

"Price pressure is doing serious damage to our profitability,"

Substantial changes had been made in company strategy, with the focus on whisky bottled in Scotland. Cased sales in the UK and export

markets were 43 per cent ahead by volume, and the company no longer depended on bulk sales or a small group of customers.

"If they had sold at our 1991 bottled-in-Scotland prices profits would be at record levels," said Mr Thornton.

Of total sales by volume, only 18 per cent was accounted for by bulk exports - an area where the company feels reluctant to compete because of intense price competition.

Bottled-in-Scotland sales accounted for the rest, with 48 per cent going to own label customers and 34 per cent branded. While the overall reduction in average cased prices was 2 per cent, this con-

cealed a cut of 11 per cent in own label prices.

Mr Thornton said there was a growing realisation that price discounting could not go on forever, and he expected an improvement next year.

Operating profits fell from £9.66m to £5.79m, reflecting increased costs of £34.8m (£28.3m) following investments in sales and marketing.

The pre-tax figure included a gain of £288,000 from a disposal. Interest payable rose from £1.54m to £1.9m.

Earnings per share fell from 9.33p to 5.50p. The total dividend for the year is maintained at 6p, including an unchanged final of 3.3p.

MR-Data Management at £6.35m as orders slide

By Alan Cane

Pre-tax profits at MR-Data Management Group fell 27 per cent for the year to June 30, from £8.76m to £6.35m, because of order slippage and higher than expected restructuring costs.

The group had issued a warning in July which resulted in a 19 per cent fall in the

share price; yesterday the shares rose 6p to 135p.

Mr John Redmond, chairman, said: "The effects of our reorganisation are complete and we are now in a stronger position to market our business services in the area of information management."

Turnover was flat at £40.62m (£40.79m). Earnings per share were 8p (10.6p) and a dividend

of 5.53p will be paid, 6.5 per cent ahead of the previous 5.19p. Cash balances were £4.3m at the end of the year.

MR-Data, which operates in the UK and US, provides a range of bureau services including large-scale laser printing, computer output on microfilm and document scanning and transcription.

It also markets software for free-form text retrieval.

Mr Mike Elliott, chief executive, said restructuring charges had hit profits at the document image processing division, which made a £480,000 loss.

Both the document imaging and the map scanning businesses were now trading on an appropriate cost base, he said.

Three orders for the company's Memex information

retrieval software had been delayed. One, for the National Criminal Intelligence Service, had now been secured; the other two were expected to be concluded in the first half of the current year.

The group is exploring moves into CD-ROM as an extension of its computer output on microfilm (COM) business in the UK and US.

By John McManus in Dublin

Aer Lingus, the Irish Republic's national airline, has put Team Aer Lingus, its aircraft maintenance subsidiary, into examinership, the equivalent of administration under Irish law.

The appointment of an examiner to the company which employs 1,800 people, 1,200 of whom have been laid off already, follows the breakdown of negotiations between management and trade unions on restructuring.

Team Aer Lingus provides line maintenance for the Aer Lingus fleet but the bulk of its

business comes from aircraft overhaul work for other airlines. The dispute is over the introduction of new work practices.

Team has accumulated losses of almost £288.5m (£27.8m) and a deficit in its balance sheet of £18.3m. The failure of the examinership process would almost certainly result in its liquidation leading to the calling in of £122.5m of loans to Team guaranteed by Aer Lingus. Team also owes £41.6m to its parent.

The examiner has three weeks in which to report to the Irish high court on whether he believes a survival plan can be worked out.

NEWS DIGEST

FW Thorpe rises 51% to £2.51m

FW Thorpe's pre-tax profits for the year ended June 30 rose from £1.66m to £2.51m, an increase of 51 per cent. Turnover at the electronic and electrical equipment company was 21 per cent ahead at £19.5m against £16.1m.

Earnings per share jumped to 13.7p (8.6p). The proposed final dividend is 2.2p (1.57p) for a 3.2p (2.67p) total.

Kier grows to £6.8m

Kier, the housing and construction group bought by its employees from Hanson in July 1992, announced pre-tax profits up from £5.6m to £6.8m for the year to June 30.

Turnover of continuing operations slipped to £500.2m (£512.2m). Earnings improved to 14p (12p) per share.

During the year Hanson's remaining 10 per cent of ordinary and preference shares was bought out for £2m.

Quayle Munro rises

Quayle Munro Holdings, the financial services group, reported pre-tax profits of £670,000 for the year to June 30 against £540,000 for the previous 10 months.

Revenues more than doubled to £18.1m (£9.04m).

Earnings per share worked through at 11.78p (3.71p) and a proposed final dividend of 6p (3p) raises the total to 9p (6p).

Net asset value per share rose by 48 per cent over the year to 234p (158p).

Baillie Giff Japan

Baillie Gifford Japan Trust saw its net asset value fall by 3.3 per cent from 792.8p to 767.4p over the year to August 31.

Net losses for the 12 months to the end of August were £288,986 (£168,852) for losses per share of 3.54p (1.54p).

Reflex in the red

Reflex Group, the Dublin-listed software and computing services company, reported interim pre-tax losses of £1.22m (£1.2m) at June 30. The figure compares with profits of £216,000 last year.

The loss includes an exceptional cost of £131,000 incurred with the group's withdrawal of a number of unprofitable software products from the market. A further £220,000 in costs related to the closure of the Manchester sales and support operation.

Losses per share were 6.1p (1.7p earnings). There is no dividend.

Global ahead

Global Group, the USM-quoted meat trading and shipping services company, reported pre-tax profits ahead at £715,000 for the six months to June 30, against £578,000. Turnover was up from £40.6m to £41m.

Earnings per share were static at 0.39p (0.37p) and the interim dividend is unchanged at 0.2p.

Greenacre up 10%

Greenacre Group, the nursing home operator, reported pre-tax profits for the six months to July 31 up 10 per cent from £794,000 to £873,000.

The figure was after increased net interest payable

of £165,000, against £45,000.

Turnover for this USM-quoted company rose 36 per cent to £4.52m, against £3.32m. At the end of the period the number of beds in operation and under development totalled 623 (575).

Earnings per share were 0.35p (0.32p) and the interim dividend is raised to 0.16p (0.15p).

DCS jumps to £0.4m

Shares of DCS increased by 13 per cent to 63p after the computer software supplier reported an 84 per cent advance in profits and a return to dividends.

Turnover in the 12 months to June 30 rose to £8.28m (£5.55m) including £562,000 from two acquisitions made in the final three months.

Pre-tax profits jumped to £226,144 (£231,406) and the company returned to the dividend list after an absence of five years with a recommended payment of 0.5p.

Earnings per share were 4.32p (2.69p).

Regent Inns 73% up

Regent Inns, the pubs and restaurants operator which came to the market in April 1993, announced a 73 per cent increase in pre-tax profits from £1.34m to £2.31m in the year to July 2.

Turnover advanced to £15.3m (£13m).

Earnings per share worked through at 13.1p (10.5p) and a proposed final dividend of 3.65p (2.25p) makes a total of 5.4p (2.25p).

Brightstone Props

Brightstone Properties, the commercial property investment and management company, yesterday announced its first results since it gained a listing on March 24.

In the 14 weeks to June 30 net property income came to £327,793. Net interest took £117,100, after which pre-tax profit amounted to £210,694.

An interim dividend of 1p has been declared from earnings of 1.07p.

Filtronic prospectus

The pathfinder prospectus has been published for Filtronic Comtek, a manufacturer of sophisticated micro-components for the mobile telecommunications industry, which is coming to the market next month.

The prospectus is expected to be published on October 18 when the shares will be priced, with dealing commencing on October 24. The float, which is expected to carry a market capitalisation of £20m, is being undertaken through a private placing that will aim to raise £25m, of which £14m will be new money.

HCG Lloyd's Trust

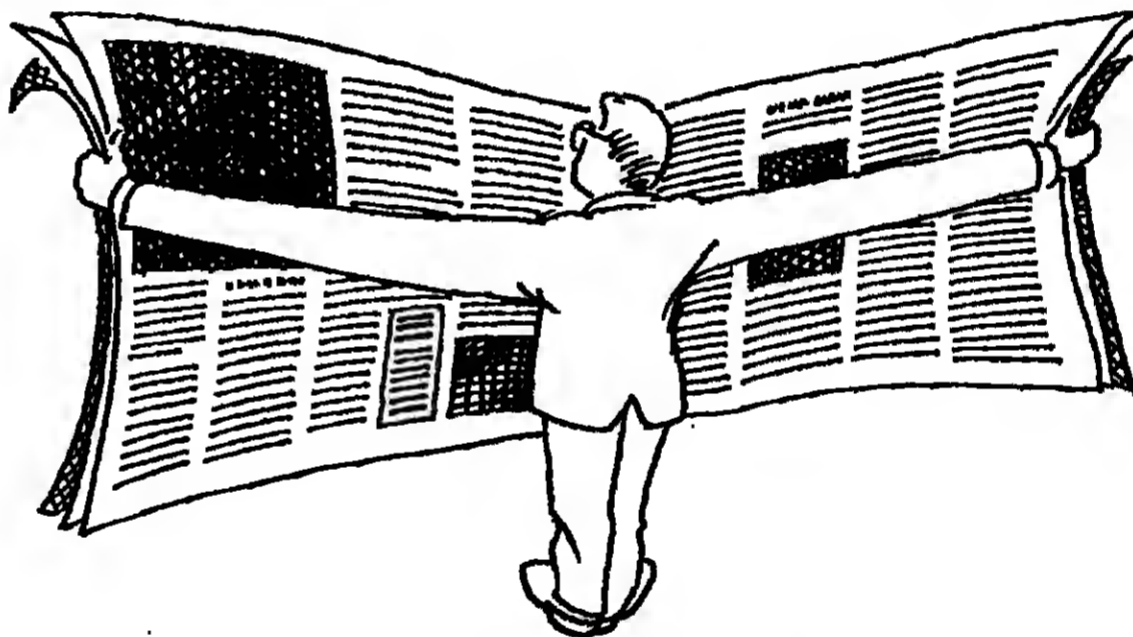
HCG Lloyd's Investment Trust, which was floated in December last year as a vehicle for limited liability investment at Lloyd's, announced a net asset value of 89p per share as at the June 30 half-year end.

Total net assets stood at £37.9m on June 30 against £38.1m on December 31.

At August 31, the data used by Lloyd's for revaluation, the value of the portfolios had increased to £59.9m, giving a net asset value per share of 97p.

Net revenue was £268,000, to give earnings per share of 1.01p.

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FT PROFILE
BUSINESS INFORMATION

PART OF THE FINANCIAL TIMES GROUP

AUTHORISED UNIT TRUSTS

[illegible]

Compiled with the assistance of Lautro SS

INITIAL CHARGE: Charge made on sale of

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In

practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often not above the cancellation price. However, the bid price might be moved to the cancellation

PRICE: The three classes stand side by side, but the price of the rawmilk is not the same, usually in circumstances in which there is a large excess of sellers of milk over buyers.

company's name in the type of the unit boat's valuation point unless another time is indicated by the symbol alongside the individual unit fund

1100 HOURS (3) - 1101 to 1400 HOURS (4) -
1401 to 1700 HOURS (5) - 1701 to midnight.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of so intervening portfolio reallocation or a switch to a forward pricing basis. The managers must deal at 5 forward price on request, and they move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set at the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the

SCHEME PARTICULARS AND

REPORTS: The last recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are compiled in the last column of the FT Measured Feeds Service.

25 Life Insurance and Gift Trust
Simple and Organizational,
Simple Plan

此藥乃治一切瘡毒之聖藥也。凡患此症者，不論新久，服之立見奇效。此藥乃由名貴藥材煉製而成，功效神速，誠為居家旅行必備之良藥也。

[illegible][illegible][illegible]

Scottish American Oil Trd Mgrs Ltd (SHEL)
180 St Vincent St., Glasgow G2 9HX
UK

[illegible][illegible]

1998年12月24日

一、**總論**
 二、**分論**
 三、**附錄**
 四、**索引**
 五、**跋**
 六、**後記**
 七、**再版說明**
 八、**出版說明**
 九、**版權說明**
 十、**印刷說明**
 十一、**裝訂說明**
 十二、**其他說明**

[illegible][illegible]

Figure 6

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

Age	Gender	+	OR	Value
18-24	Male	1	1.0	
18-24	Female	1	1.0	
25-34	Male	1	1.0	
25-34	Female	1	1.0	
35-44	Male	1	1.0	
35-44	Female	1	1.0	
45-54	Male	1	1.0	
45-54	Female	1	1.0	
55-64	Male	1	1.0	
55-64	Female	1	1.0	
65-74	Male	1	1.0	
65-74	Female	1	1.0	
75-84	Male	1	1.0	
75-84	Female	1	1.0	
85-94	Male	1	1.0	
85-94	Female	1	1.0	
95-104	Male	1	1.0	
95-104	Female	1	1.0	
105-114	Male	1	1.0	
105-114	Female	1	1.0	
115-124	Male	1	1.0	
115-124	Female	1	1.0	
125-134	Male	1	1.0	
125-134	Female	1	1.0	
135-144	Male	1	1.0	
135-144	Female	1	1.0	
145-154	Male	1	1.0	
145-154	Female	1	1.0	
155-164	Male	1	1.0	
155-164	Female	1	1.0	
165-174	Male	1	1.0	
165-174	Female	1	1.0	
175-184	Male	1	1.0	
175-184	Female	1	1.0	
185-194	Male	1	1.0	
185-194	Female	1	1.0	
195-204	Male	1	1.0	
195-204	Female	1	1.0	
205-214	Male	1	1.0	
205-214	Female	1	1.0	
215-224	Male	1	1.0	
215-224	Female	1	1.0	
225-234	Male	1	1.0	
225-234	Female	1	1.0	
235-244	Male	1	1.0	
235-244	Female	1	1.0	
245-254	Male	1	1.0	
245-254	Female	1	1.0	
255-264	Male	1	1.0	
255-264	Female	1	1.0	
265-274	Male	1	1.0	
265-274	Female	1	1.0	
275-284	Male	1	1.0	
275-284	Female	1	1.0	
285-294	Male	1	1.0	
285-294	Female	1	1.0	
295-304	Male	1	1.0	
295-304	Female	1	1.0	
305-314	Male	1	1.0	
305-314	Female	1	1.0	
315-324	Male	1	1.0	
315-324	Female	1	1.0	
325-334	Male	1	1.0	
325-334	Female	1	1.0	
335-344	Male	1	1.0	
335-344	Female	1	1.0	
345-354	Male	1	1.0	
345-354	Female	1	1.0	
355-364	Male	1	1.0	
355-364	Female	1	1.0	
365-374	Male	1	1.0	
365-374	Female	1	1.0	
375-384	Male	1	1.0	
375-384	Female	1	1.0	
385-394	Male	1	1.0	
385-394	Female	1	1.0	
395-404	Male	1	1.0	
395-404	Female	1	1.0	
405-414	Male	1	1.0	
405-414	Female	1	1.0	
415-424	Male	1	1.0	
415-424	Female	1	1.0	
425-434	Male	1	1.0	
425-434	Female	1	1.0	
435-444	Male	1	1.0	</

[illegible]

	1994	1995	1996
1. <i>Chlorophyll a</i> (mg/L)	1.2	1.5	1.8
2. <i>Chlorophyll b</i> (mg/L)	0.8	1.0	1.2
3. <i>Chlorophyll c</i> (mg/L)	0.5	0.7	0.9
4. <i>Chlorophyll d</i> (mg/L)	0.3	0.4	0.5
5. <i>Chlorophyll e</i> (mg/L)	0.1	0.2	0.3
6. <i>Chlorophyll f</i> (mg/L)	0.05	0.1	0.15
7. <i>Chlorophyll g</i> (mg/L)	0.02	0.05	0.08
8. <i>Chlorophyll h</i> (mg/L)	0.01	0.02	0.03
9. <i>Chlorophyll i</i> (mg/L)	0.005	0.01	0.015
10. <i>Chlorophyll j</i> (mg/L)	0.002	0.005	0.008
11. <i>Chlorophyll k</i> (mg/L)	0.001	0.002	0.003
12. <i>Chlorophyll l</i> (mg/L)	0.0005	0.001	0.0015
13. <i>Chlorophyll m</i> (mg/L)	0.0002	0.0005	0.0008
14. <i>Chlorophyll n</i> (mg/L)	0.0001	0.0002	0.0003
15. <i>Chlorophyll o</i> (mg/L)	0.00005	0.0001	0.00015
16. <i>Chlorophyll p</i> (mg/L)	0.00002	0.00005	0.00008
17. <i>Chlorophyll q</i> (mg/L)	0.00001	0.00002	0.00003
18. <i>Chlorophyll r</i> (mg/L)	0.000005	0.00001	0.000015
19. <i>Chlorophyll s</i> (mg/L)	0.000002	0.000005	0.000008
20. <i>Chlorophyll t</i> (mg/L)	0.000001	0.000002	0.000003
21. <i>Chlorophyll u</i> (mg/L)	0.0000005	0.000001	0.0000015
22. <i>Chlorophyll v</i> (mg/L)	0.0000002	0.0000005	0.0000008
23. <i>Chlorophyll w</i> (mg/L)	0.0000001	0.0000002	0.0000003
24. <i>Chlorophyll x</i> (mg/L)	0.00000005	0.0000001	0.00000015
25. <i>Chlorophyll y</i> (mg/L)	0.00000002	0.00000005	0.00000008
26. <i>Chlorophyll z</i> (mg/L)	0.00000001	0.00000002	0.00000003
27. <i>Chlorophyll aa</i> (mg/L)	0.000000005	0.00000001	0.000000015
28. <i>Chlorophyll ab</i> (mg/L)	0.000000002	0.000000005	0.000000008
29. <i>Chlorophyll ac</i> (mg/L)	0.000000001	0.000000002	0.000000003
30. <i>Chlorophyll ad</i> (mg/L)	0.0000000005	0.000000001	0.0000000015
31. <i>Chlorophyll ae</i> (mg/L)	0.0000000002	0.0000000005	0.0000000008
32. <i>Chlorophyll af</i> (mg/L)	0.0000000001	0.0000000002	0.0000000003
33. <i>Chlorophyll ag</i> (mg/L)	0.00000000005	0.0000000001	0.00000000015
34. <i>Chlorophyll ah</i> (mg/L)	0.00000000002	0.00000000005	0.00000000008
35. <i>Chlorophyll ai</i> (mg/L)	0.00000000001	0.00000000002	0.00000000003
36. <i>Chlorophyll aj</i> (mg/L)	0.000000000005	0.00000000001	0.000000000015
37. <i>Chlorophyll ak</i> (mg/L)	0.000000000002	0.000000000005	0.000000000008
38. <i>Chlorophyll al</i> (mg/L)	0.000000000001	0.000000000002	0.000000000003
39. <i>Chlorophyll am</i> (mg/L)	0.0000000000005	0.000000000001	0.0000000000015
40. <i>Chlorophyll an</i> (mg/L)	0.0000000000002	0.0000000000005	0.0000000000008
41. <i>Chlorophyll ao</i> (mg/L)	0.0000000000001	0.0000000000002	0.0000000000003
42. <i>Chlorophyll ap</i> (mg/L)	0.00000000000005	0.0000000000001	0.00000000000015
43. <i>Chlorophyll aq</i> (mg/L)	0.00000000000002	0.00000000000005	0.00000000000008
44. <i>Chlorophyll ar</i> (mg/L)	0.00000000000001	0.00000000000002	0.00000000000003
45. <i>Chlorophyll as</i> (mg/L)	0.000000000000005	0.00000000000001	0.000000000000015
46. <i>Chlorophyll at</i> (mg/L)	0.000000000000002	0.000000000000005	0.000000000000008
47. <i>Chlorophyll au</i> (mg/L)	0.000000000000001	0.000000000000002	0.000000000000003
48. <i>Chlorophyll av</i> (mg/L)	0.0000000000000005	0.000000000000001	0.0000000000000015
49. <i>Chlorophyll aw</i> (mg/L)	0.0000000000000002	0.0000000000000005	0.0000000000000008
50. <i>Chlorophyll ax</i> (mg/L)	0.0000000000000001	0.0000000000000002	0.0000000000000003
51. <i>Chlorophyll ay</i> (mg/L)	0.00000000000000005	0.0000000000000001	0.00000000000000015
52. <i>Chlorophyll az</i> (mg/L)			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524
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Line	Code	Unit	Other	+ or -	Total
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BERMUDA (SIB RECOGNISED)

GUERNSEY (REGULATED)

ISLE OF MAN (STB RECOGNISED)

ISLE OF MAN (REGULATED) (14)

OFFSHORE INSURANCES

GUERNSEY (SIB RECOGNISED)

IRELAND (REGULATED)(*)

JERSEY (SIS) RECOGNISED

LUXEMBOURG (SB RECOGNISED)

MANAGEMENT SERVICES

IRELAND (SIB RECOGNISED)

Franchising Investment Model (Growth)

11

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[illegible]

NEW MARKET

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NASDAQ NATIONAL MARKET

AMX COMPOSITE PRICES

4 pm close September 23

Stocks						Futures						Options						Commodities						
Symbol	High	Low	Close	Change	Volume	Symbol	High	Low	Close	Change	Volume	Symbol	High	Low	Close	Change	Volume	Symbol	High	Low	Close	Change	Volume	
Adv. Mgmt.	518	47	137	137	1/2	Adv. Mgmt.	518	47	137	137	1/2	Adv. Mgmt.	518	47	137	137	1/2	Adv. Mgmt.	518	47	137	137	1/2	Adv. Mgmt.
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen
Amgen	44	161	54	54	1/2	Amgen	44	161	54	54	1/2	Amgen	44	161	54	54								

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Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains. The concentration of the *Agrobacterium* suspension was 10⁶ cells/ml (○), 10⁷ cells/ml (□), 10⁸ cells/ml (△), and 10⁹ cells/ml (◇). The error bars represent the standard deviation of three independent experiments.

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DSC Co	1711554	29	27 ³ / ₈	27 ¹ / ₂	-1 ¹ / ₂	Jason Inc	0.25	13	87	8 ¹ / ₂	6 ¹ / ₂	8 ¹ / ₂	Powell	75	88	5 ¹ / ₂	5 ¹ / ₂	5 ¹ / ₂	+3 ¹ / ₂			
Dart Gray	0.13	37	35	80 ¹ / ₂	76	80 ¹ / ₂	-1 ¹ / ₂	JLS Ind	0.10	34	20	39 ¹ / ₂	38	38 ¹ / ₂	Pres Lite	0.09	3	305	8 ¹ / ₂	65 ¹ / ₂	6 ¹ / ₂	-1 ¹ / ₂

DataSwitch	11	92	2 ¹ / ₄	2 ¹ / ₄	2 ¹ / ₄	- ¹ / ₈	Johnson W	60	2	24 ¹ / ₄	24 ¹ / ₄	24 ¹ / ₄	- ¹ / ₄	Presstek	175	3371	48	45 ¹ / ₄	47 ¹ / ₂	+2 ¹ / ₄
Defender	30	150	7 ¹ / ₂	2 ¹ / ₄	7 ³ / ₈	+ ¹ / ₄	Jones Int	10	50	13 ¹ / ₂	13 ¹ / ₂	13 ¹ / ₂		Pr/Coat	23	8988	15 ¹ / ₂	15 ¹ / ₈	15 ⁵ / ₈	+ ¹ / ₈

- X - Y - Z -

Dziadoske	75	991	16 $\frac{1}{2}$	15	76	+ $\frac{1}{2}$	James Mcd	0.18	12	109	7 $\frac{1}{2}$	7 $\frac{1}{2}$	7 $\frac{1}{2}$	- $\frac{1}{2}$	Pride Pet	39	54	5 $\frac{1}{2}$	4 $\frac{1}{2}$	5 $\frac{1}{2}$	+ $\frac{1}{2}$	Xerox	31	4806	50 $\frac{1}{2}$	48 $\frac{1}{2}$	48 $\frac{1}{2}$	- $\frac{1}{2}$
DaphnOp a1.52	12	298	25 $\frac{1}{2}$	25 $\frac{1}{2}$	26	+ $\frac{1}{2}$	Joslyn Cp	1.20	13	90	28 $\frac{1}{2}$	28	26	- $\frac{1}{2}$	Primtron	30	215	15 $\frac{1}{2}$	17 $\frac{1}{2}$	17 $\frac{1}{2}$	-1 $\frac{1}{2}$	Acme Corp	2	1606	3 $\frac{1}{2}$	3 $\frac{1}{2}$	3 $\frac{1}{2}$	+ $\frac{1}{2}$

Company	7/5/91	7/15/91	7/25/91	8/5/91	8/15/91	8/25/91	9/5/91	9/15/91	9/25/91	10/5/91	10/15/91	10/25/91	11/5/91	11/15/91	11/25/91	12/5/91	12/15/91	12/25/91	1/5/92	1/15/92	1/25/92	2/5/92	2/15/92	2/25/92	3/5/92	3/15/92	3/25/92	4/5/92	4/15/92	4/25/92	5/5/92	5/15/92	5/25/92	6/5/92	6/15/92	6/25/92	7/5/92	7/15/92	7/25/92	8/5/92	8/15/92	8/25/92	9/5/92	9/15/92	9/25/92	10/5/92	10/15/92	10/25/92	11/5/92	11/15/92	11/25/92	12/5/92	12/15/92	12/25/92	1/5/93	1/15/93	1/25/93	2/5/93	2/15/93	2/25/93	3/5/93	3/15/93	3/25/93	4/5/93	4/15/93	4/25/93	5/5/93	5/15/93	5/25/93	6/5/93	6/15/93	6/25/93	7/5/93	7/15/93	7/25/93	8/5/93	8/15/93	8/25/93	9/5/93	9/15/93	9/25/93	10/5/93	10/15/93	10/25/93	11/5/93	11/15/93	11/25/93	12/5/93	12/15/93	12/25/93	1/5/94	1/15/94	1/25/94	2/5/94	2/15/94	2/25/94	3/5/94	3/15/94	3/25/94	4/5/94	4/15/94	4/25/94	5/5/94	5/15/94	5/25/94	6/5/94	6/15/94	6/25/94	7/5/94	7/15/94	7/25/94	8/5/94	8/15/94	8/25/94	9/5/94	9/15/94	9/25/94	10/5/94	10/15/94	10/25/94	11/5/94	11/15/94	11/25/94	12/5/94	12/15/94	12/25/94	1/5/95	1/15/95	1/25/95	2/5/95	2/15/95	2/25/95	3/5/95	3/15/95	3/25/95	4/5/95	4/15/95	4/25/95	5/5/95	5/15/95	5/25/95	6/5/95	6/15/95	6/25/95	7/5/95	7/15/95	7/25/95	8/5/95	8/15/95	8/25/95	9/5/95	9/15/95	9/25/95	10/5/95	10/15/95	10/25/95	11/5/95	11/15/95	11/25/95	12/5/95	12/15/95	12/25/95	1/5/96	1/15/96	1/25/96	2/5/96	2/15/96	2/25/96	3/5/96	3/15/96	3/25/96	4/5/96	4/15/96	4/25/96	5/5/96	5/15/96	5/25/96	6/5/96	6/15/96	6/25/96	7/5/96	7/15/96	7/25/96	8/5/96	8/15/96	8/25/96	9/5/96	9/15/96	9/25/96	10/5/96	10/15/96	10/25/96	11/5/96	11/15/96	11/25/96	12/5/96	12/15/96	12/25/96	1/5/97	1/15/97	1/25/97	2/5/97	2/15/97	2/25/97	3/5/97	3/15/97	3/25/97	4/5/97	4/15/97	4/25/97	5/5/97	5/15/97	5/25/97	6/5/97	6/15/97	6/25/97	7/5/97	7/15/97	7/25/97	8/5/97	8/15/97	8/25/97	9/5/97	9/15/97	9/25/97	10/5/97	10/15/97	10/25/97	11/5/97	11/15/97	11/25/97	12/5/97	12/15/97	12/25/97	1/5/98	1/15/98	1/25/98	2/5/98	2/15/98	2/25/98	3/5/98	3/15/98	3/25/98	4/5/98	4/15/98	4/25/98	5/5/98	5/15/98	5/25/98	6/5/98	6/15/98	6/25/98	7/5/98	7/15/98	7/25/98	8/5/98	8/15/98	8/25/98	9/5/98	9/15/98	9/25/98	10/5/98	10/15/98	10/25/98	11/5/98	11/15/98	11/25/98	12/5/98	12/15/98	12/25/98	1/5/99	1/15/99	1/25/99	2/5/99	2/15/99	2/25/99	3/5/99	3/15/99	3/25/99	4/5/99	4/15/99	4/25/99	5/5/99	5/15/99	5/25/99	6/5/99	6/15/99	6/25/99	7/5/99	7/15/99	7/25/99	8/5/99	8/15/99	8/25/99	9/5/99	9/15/99	9/25/99	10/5/99	10/15/99	10/25/99	11/5/99	11/15/99	11/25/99	12/5/99	12/15/99	12/25/99	1/5/00	1/15/00	1/25/00	2/5/00	2/15/00	2/25/00	3/5/00	3/15/00	3/25/00	4/5/
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Deleob Ge	0.80	43	241	281 ₂	29	29 ₃	-1 ₂	Justin	0.18	10	1254	13 ₄	13 ₄	13 ₄	-1 ₂	Pyrami	8	501	8 ₈	8 ₈	8 ₈	+1 ₂	Zemljin	6	120	8	111	40	39	40	+1 ₂
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